SCHEDULE CMR — CONSOLIDATED MATURITY AND RATE

*Throughout these instructions, **you** and **your** refers to the reporting savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.*

GENERAL INSTRUCTIONS

INTRODUCTION

Schedule CMR provides information about the interest rate, repricing, and maturity characteristics of all financial instruments that you hold. We use the information on Schedule CMR as input to the **OTS Net Portfolio Value** Model (OTS Model). The OTS Model measures your exposure to interest rate risk by estimating how a change in interest rates affects the market value of your assets, liabilities, and off-balance-sheet (OBS) contracts. OTS sends the output reports of the OTS Model to you after the information you submit on Schedule CMR has passed the data edits.

To estimate the **market value** of a financial instrument, it is necessary to project its future cash flows. To project the future cash flows of a financial instrument, you need the following information:

1. The outstanding balance of the instrument or, in the case of an OBS contract, the notional principal amount of the position.
2. The contract interest rate of the instrument and, if the instrument is adjustable-rate, details concerning how and when the coupon will adjust in the future.
3. The instrument’s amortization schedule and maturity.

Because it is not possible to collect this information on Schedule CMR for individual financial instruments, we group together information on instruments that display similar characteristics. For example, you report the total outstanding balance of all your 30-year, conventional, fixed-rate mortgages with coupons between 7.00 percent and 7.99 percent on CMR002. On CMR007 and CMR012, you report the average maturity and the average coupon of those balances.

Collecting information about financial instruments stratified by coupon range is an important feature of Schedule CMR. When you prepare software to handle preparation of this report, please note that if there are major changes in interest rates, OTS may modify the coupon ranges.

REPORTING OF INFORMATION

Use the same consolidation instructions that apply to the other schedules of the Thrift Financial Report.

Generally, dollar amounts on Schedule CMR are outstanding balances, not carrying values. We define **outstanding balance** as the recorded investment after deduction for specific valuation allowances. See the instructions for mortgage loans in Schedule SC for a definition of recorded investment. We note exceptions to reporting outstanding balances where appropriate. **You should report outstanding balances net of loans-in-process (LIP) and net of nonperforming loans.** For purposes of reporting in Schedule CMR, we define **nonperforming loans** as nonaccrual loans or loans that are at least 90 days past due but still accruing interest. Report construction LIP in the Off-Balance-Sheet Positions section of Schedule CMR and report nonperforming loans on CMR501 and CMR511 in the Assets section.

You may estimate items requested on Schedule CMR if the necessary information is not available. For example, you may not have ready access to all required information for your holdings of mortgage loans and mortgage securities serviced by others.

FORMAT OF SCHEDULE CMR

We have divided Schedule CMR into six sections. The first three sections collect information on assets, liabilities, and financial derivatives and OBS positions, respectively. You must fill out these three sections of the report. The other three sections, **Supplemental Reporting for Assets and Liabilities**, **Supplemental Reporting of Market Value Estimates** and **Supplemental Reporting for Financial Derivatives and Off-balance-sheet Positions**, are required for most savings associations. We have noted exceptions to the required reporting in the instructions for these sections. We provide these three sections so that you can report additional information that results in more accurate interest rate risk exposure estimates.

Supplemental Reporting for Assets and Liabilities

This section gives you the ability of reporting more detailed information on certain assets and liabilities than you report in the assets and liabilities sections of Schedule CMR. Use of this data by the OTS Model results in more accurate interest rate risk exposure estimates. Supplemental reporting is available for the following areas:

1. Certain types of loans.

2. Investments in mortgage-related mutual funds.

3. Investments in other investment securities.

4. Variable-rate, fixed-maturity (VRFM) liabilities.

See the instructions for **Supplemental Reporting for Assets and Liabilities** for more information.

Supplemental Reporting of Market Value Estimates

In this section, you estimate the market value of several types of complex financial instruments for seven different interest rate scenarios. If the OTS Model valued these instruments, we would need a significant amount of additional data. The valuation estimates you provide will supplement or replace OTS estimates for those instruments. The instruments are:

1. OBS contracts.
2. Mortgage-derivative securities.
3. Liabilities with embedded options. For example, callable debt.
4. Mortgage-derivative securities you issue.
5. Complex securities, such as structured securities.

Some savings associations are required to report market value estimates of these instruments. See detailed instructions in the section **Supplemental Reporting of Market Value Estimates**.

Supplemental Reporting for Financial Derivatives and Off-Balance-Sheet Positions

This section permits you to report any additional OBS positions you hold beyond the 16 that the Off-Balance-Sheet section of Schedule CMR can accommodate. See the section **Financial Derivatives and Off-Balance-Sheet Positions** and the section **Supplemental Reporting for Derivatives and Off-Balance-Sheet Positions** for more information.

CALCULATING WEIGHTED AVERAGES

Certain items that you report on Schedule CMR require that you calculate weighted averages. We describe how to calculate the weighted-average coupon (WAC) and other measures below.

Weighted-Average Coupon (WAC)

The **WAC** is the average coupon of a group of assets, liabilities, or OBS contracts. You weight the coupon of each individual instrument in the group by its outstanding dollar balance, as a proportion of the total dollar balances of the group. Unless otherwise stated in the reporting instructions for a specific instrument, use the following general guidelines:

1. Express the interest rates for all assets as annual simple interest rates (coupon rates for securities and contract rates for loans).
2. Express the interest rates for all liabilities as annual percentage yields (APYs).
3. For mortgage loans that others service, report the contract rate of the loan. Do not subtract the servicing fee.
4. Express all WACs as a percent, to two decimal places. For instance, 10.54.

The following example illustrates how to calculate the WAC of a portfolio of 30-year, single-family fixed-rate mortgages. The coupons are between 9.00 percent and 9.99 percent.

***Example*:** You have three mortgages with outstanding balances totaling \$350,000. The mortgages have outstanding balances and coupons of \$100,000 and 9.75 percent, \$110,000 and 9.5 percent, and \$140,000 and 9.0 percent. Calculate the WAC for this portfolio as follows:

$$\text{WAC} = \frac{\$100{,}000\ (9.75\%) + \$110{,}000\ (9.5\%) + \$140{,}000\ (9.0\%)}{\$350{,}000}$$

$$= 9.37\%$$

Details of the computation of the WAC may vary for certain instruments. For further guidance, see the relevant sections of the instructions.

Weighted-Average Pass-Through Rate

The **pass-through rate** is the net interest rate passed through to the holder of a mortgage pass-through security. This is the rate after deducting servicing, management, and guarantee fees from the gross coupon of the mortgages underlying the security. The **weighted-average pass-through rate** is the average coupon of a group of mortgage pass-through securities. Weight the coupon of each security in the group by its outstanding dollar balance, as a proportion of the total dollar balances of the group. Express the interest rates for all assets as annual simple interest rates. Express all weighted-average pass-through rates as a percent, to two decimal places, for instance, 10.54.

The following example illustrates how to calculate the weighted-average pass-through rate of a portfolio of 30-year, single-family, fixed-rate mortgage securities. The coupons are between 9.00 percent and 9.99 percent.

***Example*:** You have three mortgage pass-through securities with outstanding balances totaling $350,000. The securities have outstanding balances and pass-through rates of $100,000 and 9.5 percent, $110,000 and 9.5 percent, and $140,000 and 9.0 percent. Calculate the weighted-average pass-through rate for this portfolio as follows:

$$\text{Weighted-Average Pass-Through Rate} = \frac{\$100{,}000\ (9.5\%) + \$110{,}000\ (9.5\%) + \$140{,}000\ (9.0\%)}{\$350{,}000}$$

$$= 9.30\%$$

Weighted-Average Remaining Maturity (WARM)

The **WARM** is the average remaining maturity, in months, for a group of assets or liabilities. You weight the maturity of each individual asset or liability by taking its outstanding dollar balance, as a proportion of the total dollar balances of the group. Round values to the nearest month. Perform rounding after you complete the calculation. The following example illustrates how to calculate the WARM for fixed-rate consumer loans.

***Example*:** You have three fixed-rate consumer loans with total outstanding balances of $40,000. Two are auto loans with respective outstanding balances and remaining maturities of $10,000 and 48 months, and $1,000 and 12 months. The third is a mobile home loan with an outstanding balance of $29,000 and a remaining term of 120 months. Calculate the WARM for your fixed-rate consumer loans as follows:

$$\text{WARM} = \frac{\$10{,}000\ (48) + \$1{,}000\ (12) + \$29{,}000\ (120)}{\$40{,}000}$$

$$= 99.3 \text{ months}$$

$$= 99 \text{ months (rounded to the nearest month)}$$

For balloon mortgages, use the number of months until payment of the balloon. The following example illustrates how to calculate the WARM for balloon mortgages.

Example: You have two balloon mortgages, each with an outstanding balance of $100. The first mortgage amortizes over 240 months, but the entire remaining principal is due as a balloon in 60 months. The second mortgage amortizes over 360 months, but has a balloon payment in 84 months. The WARM for your balloon mortgages would be 72 months. [72 = ($100/$200) x 60 + ($100/$200) x 84].

An exception to this treatment exists for single-family adjustable-rate mortgages (ARMs) reported on CMR096 through CMR120, Balloon Mortgages and Mortgage-Backed Securities (MBS). See that section for details.

Loans that have matured but still have a principal balance outstanding should be included in calculating the WARM if they are less than 90 days past due. Assign such loans a remaining maturity of one month. Do not include such loans if more than 90 days past due.

For loans made under open-end lines of credit, calculate maturity as if the borrower will repay the existing loan balance by making the minimum payments required by the repayment schedule.

For demand loans, either adjustable- or fixed-rate, that pay interest only and have no definite maturity, use one month when calculating the WARM.

Weighted-Average Margin

The margin of an adjustable-rate loan or deposit is the amount added to the index rate to derive the fully indexed coupon rate. If you have adjustable-rate loans or deposits where you determine the coupon by multiplying an index by some factor, you should calculate an additive margin each quarter. Do this by subtracting the value of the index from the fully indexed coupon rate. Report all weighted-average margins in basis points. When you calculate weighted-average margins for mortgage securities and asset-backed securities, use the net margin for securities. Do not include servicing and guarantee fees. For loans serviced by others, use the gross margin. Do not subtract the servicing fee. For details on specific types of loans, see the relevant section of the instructions.

The following example illustrates how to calculate the weighted-average margin of ARM loans and securities.

Example: You have a portfolio containing an adjustable-rate, single-family, first mortgage loan and a mortgage security backed by adjustable-rate, single-family, first mortgage loans. Both use the one-year Treasury rate as an index. The loan and the security each have an outstanding balance of $100,000. The loan has a gross margin of 225 basis points. The loans backing the security have a gross margin of 225 basis points. You receive a pass-through rate of the one-year Treasury plus 175. The guarantee and servicing fees amount to 50 basis points. Use the security's net margin of 175 basis points to calculate the weighted-average margin.

$$\text{Weighted-Average Margin} = \frac{\$100{,}000\ (225) + \$100{,}000\ (175)}{\$200{,}000}$$

$$= 200 \text{ basis points}$$

RELATIONSHIP OF ITEMS ON SCHEDULES CMR AND SC

Information you report on Schedule CMR relates to the information you report on Schedule SC as follows:

Assets

The electronic filing software will compute CMR550 as the sum of the following items:

CMR125	CMR185	CMR261	CMR262	CMR281
CMR282	CMR291	CMR292	CMR311	CMR312
CMR325	CMR326	CMR335	CMR336	CMR377
CMR378	CMR490	CMR501	CMR502	CMR503
CMR508	CMR511	CMR512	CMR517	CMR520
CMR525	CMR530	CMR535	CMR538	CMR541
CMR543	CMR544			

Less the sum of the following items:

CMR504	CMR507	CMR513	CMR516	CMR539
CMR540				

CMR550 plus the balance for Complex Securities reported as code 121 on the section for Supplemental Reporting of Market Value Estimates should equal **SC60**, Total Assets. For all editing and output data uses, our data systems will add the balance for complex securities reported as code 121 in the section for Supplemental Reporting of Market Value Estimates to CMR550.

SC10, Cash, Deposits, and Investment Securities, equals the sum of the following items:

CMR377	CMR378	CMR490	CMR538

Plus Complex Securities reported as code 121 on the section for Supplemental Reporting of Market Value Estimates

Less the sum of the following items:

CMR539	CMR540

SC20, Mortgage Pool Securities, **plus SC23**, Mortgage Loans, equals the sum of the following items:

CMR125	CMR185	CMR261	CMR262	CMR281
CMR282	CMR291	CMR292	CMR311	CMR312
CMR501	CMR502	CMR503	CMR508	CMR578

– Less the sum of the following items: –

CMR504	CMR507	CMR580

SC30, Nonmortgage Loans, equals the sum of the following items:

CMR325	CMR326	CMR335	CMR336	CMR511
CMR512	CMR517	CMR580		

– Less the sum of the following items:

CMR513	CMR516	CM578

SC40, Repossessed Assets, equals CMR525

SC45, Real Estate Held for Investment, equals CMR520

SC55, Office Premises and Equipment, equals CMR535

SC58, Other Assets, equals the sum of the following items:

CMR541	CMR543	CMR544

Liabilities and Equity Capital

The sum of **SC710**, Deposits, **SC72**, Borrowings, and **SC715**, Unamortized Yield Adjustments on Deposits, equals the sum of the following line items:

CMR645	CMR715	CMR762	CMR765	CMR768
CMR771	CMR782	CMR784	CMR785	

Plus:

(1) Variable-rate, fixed-maturity liabilities reported as codes 200, 220, and 299 in the section Supplemental Reporting for Assets and Liabilities and (2) Structured borrowings reported as codes 280 through 290 in the section Supplemental Reporting of Market Value Estimates.

Less the following item:

CMR755

The sum of **SC75**, Other Liabilities, and **SC783**, Escrows, equals the sum of the following items:

CMR775	CMR777	CMR779	CMR786	CMR787

SC799, Redeemable Preferred Stock and Minority Interest in Consolidated Subsidiaries, equals the sum of CMR755 and CMR793.

SC80, Total Equity Capital, equals CMR796.

ASSETS

TERMS USED IN THE ASSETS SECTION

Dwelling Unit: A dwelling unit is a unified combination of rooms, whether existing or under construction, designed for residence by one family. This classification does not change because of incidental use for business purposes.

Single Family Mortgages: Single-family mortgages include all permanent loans and the funded portion of any combination construction-permanent loans secured by any of the following types of properties:

1. One-family dwellings in detached or semi-detached structures.
2. Individual permanently financed units in a condominium, cooperative, or timesharing arrangement where the owner of each unit has an undivided proportional interest in the underlying real estate and common elements of the structure.
3. Structures consisting of two- to four-dwelling units.

Multifamily Mortgages: Multifamily mortgages include all permanent loans and the funded portion of any combination construction-permanent loans secured by residential property containing five or more dwelling units.

This category includes the following types of properties:

1. Mortgages on fraternity or sorority houses offering sleeping accommodations.
2. Living accommodations for students or staff of a college or hospital.
3. Retirement homes with sleeping and eating accommodations that are not condominiums or cooperatives.

In these cases, the number of bedrooms determines the number of dwelling units.

Nonresidential Mortgages: Nonresidential mortgages include all permanent loans and the funded portion of any combination construction-permanent loans secured by properties not covered by the definition of single-family dwelling units, multifamily dwelling units, or land loans. This category includes the following types of properties regardless of the incidental use of the property for a dwelling unit:

1. Mobile home parks.
2. Hospitals.
3. Nursing homes.
4. Churches.
5. Stores.
6. Other commercial property.
7. Properties used for farming.

Construction and Land Loans: Construction and land loans include land loans and the funded portion of construction loans as a single balance. This category includes most loans classified as construction or land loans in Schedule SC including the following types of properties:

1. Loans to acquire and develop land.
2. Loans for developed building lots.
3. Loans for unimproved land.
4. Construction loans secured by single-family, multifamily, or nonresidential properties.
5. Loans to developers secured by land where the developer is constructing any of these properties.

It does not include combination construction-permanent mortgages on any type of property. Include these loans with permanent mortgages of the relevant types.

Nonperforming Loans: Nonperforming loans are nonaccrual loans and loans that are still accruing interest and are at least 90 days past due, or an equivalent number of cycles – see the instructions for Schedule PD.

Teaser ARMs: Teaser ARMs are adjustable rate mortgages originated at introductory rates below the fully indexed rate, teaser rates, and that remain at their introductory rates – that is, they have not reset.

Balloon Mortgages: Fixed-rate balloon mortgages are fixed-rate mortgages with a remaining maturity at least ten years shorter than the remaining time to full amortization. For example, a fixed-rate mortgage that matures in four years and that would require 14 years to amortize fully is a balloon mortgage.

Call Loans: Call loans are extensions of credit where the lender may require repayment of outstanding principal on one or more contractually specified call dates, irrespective of any contractual maturity date. Lenders often refinance, or roll over, such loans under new terms, upon mutual agreement of lender and borrower.

Pass-through securities: Pass-through securities are securities that convey ownership of a fractional part of each asset in a pool of assets backing the security. The issuer collects principal and interest payments generated by the underlying pool of assets and passes the payments through to each security owner based on their share of ownership.

Pay-through securities: Pay-through securities represent secured debt of the issuer. They give an investor a security interest in, but not ownership of, the underlying assets. You should consider any asset-backed security that does not meet the definition of pass-through securities above, to be a pay-through security.

FIXED-RATE, SINGLE-FAMILY, FIRST MORTGAGE LOANS AND MORTGAGE-BACKED SECURITIES

Report requested information about performing, fixed-rate, first mortgage, single-family loans, participations in such loans, and pass-through securities backed by such loans.

Include:

1. Fixed-rate fully amortizing mortgages.
2. Fixed-rate balloon payment mortgages.
3. Mortgages with a single rate adjustment. For instance, those that would qualify for the FNMA Two-Step Mortgage program.
4. Mortgages with interest rates that adjust less often than every five years.

5. Mortgages with coupons that were adjustable in the past, but where the coupon will remain fixed for the remaining maturity.
6. Mortgages with rates that change over time by prespecified steps. For instance, a 2/1 buydown with rates scheduled to be seven percent in year one, eight percent in year two, and 9 percent thereafter.
7. Some call mortgages, as described below.
8. Combination construction-permanent mortgages for single-family dwellings that have fixed interest rates for the entire term of the loan.

Do not include:

1. Nonperforming mortgages. Report on CMR501.
2. Mortgage warehouse loans, loans collateralized by mortgage loans rather than liens directly on real estate. Report as commercial loans on CMR326.
3. Mortgages you service for others. Report in the section dealing with mortgage servicing rights, CMR401 through CMR450.
4. Second mortgages, secured home improvement loans, or home equity loans, regardless of whether you also hold the first lien or whether there is a first lien. Report as second mortgages on CMR312.

We collect all information described below according to coupon range and type of loan or security.

Coupon Range: Divide mortgages into the following coupon categories:

1. Less than 7 percent.
2. 7 to 7.99 percent.
3. 8 to 8.99 percent.
4. 9 to 9.99 percent.
5. 10 percent and greater.

Report each mortgage loan and participation in the coupon range that corresponds to its contract rate. For loans serviced by others, be careful to report according to the contract rate of the loans. Do not subtract the servicing fee. Report each mortgage security in the coupon range that corresponds to the coupon rate of the security, the pass-through rate. For example, you should report a FNMA security with a pass-through rate of 8.5 percent and where the collateral has a WAC of 9.25 percent in the 8 to 8.99 percent coupon column.

Within each coupon range, divide mortgages into the following broad groups:

1. Thirty-year mortgage loans.
2. Securities backed by 30-year conventional mortgages.
3. Securities backed by 30-year FHA or VA mortgages.
4. Fifteen-year mortgages and mortgage securities.
5. Balloon mortgages and mortgage securities.

Information requested for the five groups differs somewhat; however, the following general information applies, unless the instructions state differently.

1. Wherever there is a request for a balance use the following guidelines:

a. Report the outstanding principal balance, not the carrying value, of mortgage loans.

b. Report the pro rata share of the outstanding principal balance of participations in mortgages.

c. Report the outstanding principal balance of mortgage securities.

2. Wherever we request a WARM, refer to the calculation of the WARM in the general instructions to Schedule CMR.

3. Wherever we request a weighted average WAC, refer to the calculation of the WAC in the general instructions to Schedule CMR.

4. Wherever we request a weighted-average pass-through rate, refer to the calculation of the weighted-average pass-through rate in the general instructions to Schedule CMR.

A detailed description of the information to report for each group follows.

Thirty-year Mortgages and MBS

CMR001 Through CMR020: Mortgage Loans

Include all fully amortizing mortgage loans and participations in fully amortizing mortgage loans with an original maturity of at least 25 years. Include combination construction-permanent mortgages that have fixed rates for the entire term of the loan. Do not report mortgage loans with a biweekly payment feature.

Report outstanding balances, by coupon range, on CMR001 through CMR005. For each balance, report the WARM and the WAC on the corresponding column of CMR006 through CMR010 and CMR011 through CMR015, respectively. Of the loan balances on CMR001 through CMR005, report the amount of each that is FHA or VA guaranteed on CMR016 through CMR020, as appropriate.

CMR026 Through CMR040: Securities Backed by Conventional Mortgages

Include FHLMC, FNMA, and privately issued mortgage securities backed by fully amortizing mortgage loans with original maturity of at least 25 years. Do not report mortgage loans with a biweekly payment feature.

Report the outstanding balances of securities on CMR026 through CMR030 according to the coupon rates of the securities. For each balance, report the WARM on CMR031 through CMR035, and report the weighted-average pass-through rate corresponding to each balance on CMR036 through CMR040.

CMR046 Through CMR060: Securities Backed by FHA or VA Mortgages

Include all GNMA and other mortgage securities backed by fully amortizing FHA and VA mortgage loans with an original maturity of at least 25 years. Do not report mortgage loans with a biweekly payment feature.

On CMR046 through CMR050 report, by coupon range, outstanding balances of these mortgage securities. For each balance entered CMR046 through CMR050, report the WARM on CMR051 through CMR055 and the weighted-average pass-through rate on CMR056 through CMR060.

CMR066 Through CMR090: Fifteen-year Mortgages and MBS

Include all fully amortizing mortgage loans with an original maturity of less than 25 years. Include participations in such loans, and mortgage securities backed by such loans. Include biweekly payment mortgages having an original maturity of 25 years or more. Include combination construction-permanent mortgages that have fixed rates for the entire term of the loan.

On CMR066 through CMR070 report, by coupon range, the outstanding principal balances of such mortgage loans and participations. On CMR071 through CMR075, report the WAC of each balance reported on CMR066 through CMR070. Report the outstanding principal balance of mortgage securities backed by loans of this type, by coupon range, on CMR076 through CMR080.

Place security balances into the coupon range corresponding to the pass-through rate of the security. Report the weighted-average pass-through rate of the securities on CMR081 through CMR085. Report on CMR086 through CMR090, by coupon range, the WARM of the loans and securities reported in each coupon range.

CMR096 through CMR120: Balloon Mortgages and MBS

Report requested information about the following types of single-family first mortgage loans. Include participations in such loans and securities backed by such loans.

Include:

1. Balloon payment mortgages. Fixed-rate balloon mortgages are fixed-rate mortgages with a remaining maturity at least ten years shorter than the remaining time to full amortization. For example, a fixed-rate mortgage that matures in four years and that would require 14 years to amortize fully is a balloon mortgage.
2. Mortgages scheduled for a single rate adjustment, such as those that would qualify for the FNMA Two-Step mortgage program.
3. ARMs whose coupons reset less frequently than every five years.
4. Some call loans, which we describe in the examples below. Call loans are those where you have the option, on a particular date, to require repayment of the loan, or may roll it over into a loan with potentially different terms. In particular, the interest rate of a call loan is subject to change on the call date.

On CMR096 through CMR100 report, by coupon range, the outstanding principal balances of the above listed types of mortgage loans and participations. On CMR101 through CMR105, report the WAC of each balance on CMR096 through CMR100. Report the outstanding principal balance of mortgage securities backed by loans of this type, by coupon range, on CMR106 through CMR110.

Place security balances into the coupon range corresponding to the pass-through rate on CMR101 through CMR105. Report the WAC of each balance on CMR096 through CMR100. Report the outstanding principal balance of mortgage securities backed by loans of this type, by coupon range, on CMR106 through CMR110. Place security balances into the coupon range corresponding to the pass-through rate of the security. Report the weighted-average pass-through rate of the securities on CMR111 through CMR115. Report on CMR116 through CMR120, by coupon range, the WARM of the loans and securities reported in each coupon range. Calculate the remaining maturity based on the number of months remaining until the one of the following dates:

1. Date the balloon payment is due – for balloon mortgages.
2. Next scheduled payment reset date for mortgages with a single rate adjustment and mortgages with interest rates that adjust less often than every 5 years.
3. Next call date for call mortgages.

If the terms of the mortgage change:

If the terms change following a scheduled rate reset or because you roll over the loan on its balloon due date or call date, you should reclassify the mortgage as follows:

1. If the interest rate will remain fixed for the remaining term of the mortgage, report it as a single-family, 30-year, fixed-rate mortgage (CMR001 through CMR060) or a single-family, 15-year, fixed-rate mortgage (CMR066 through CMR090). The term depends on the time between the date of final principal repayment and the date the original mortgage was originated. If that period is at least 25 years, report the mortgage with the 30-year fixed-rate mortgages; if less, report it with the 15-year fixed-rate mortgages.
2. Report the mortgage as an ARM on CMR141 through CMR245, as appropriate, if it falls into either of the following categories:

   a. The interest rate resets at least every 5 five years during the remaining maturity of the mortgage.

   b. If the mortgage is subject to a series of calls no more than five years apart.
3. Otherwise, continue to report the loan as a balloon mortgage.

Examples:

1. A seven-year balloon mortgage amortizes according to a 30-year schedule.
   a. During the seven years before the balloon payment date, you should report the mortgage as a balloon mortgage. Its remaining maturity is equal to the number of months until the balloon payment is due.
   b. If, after seven years, you roll the mortgage over into a fully amortizing, fixed-rate mortgage with 23 years remaining until maturity, you would report it as a 30-year fixed-rate mortgage (CMR001 through CMR060). The time between origination and final maturity of the mortgage in this example is 30 years [seven 7 years + 23 years]. This exceeds the 25-year criterion for reporting in the 30-year fixed-rate category.
2. Assume instead of 30 years, the balloon mortgage in Example 1 had been amortizing according to a 20-year schedule. Then, after seven years, you rolled the mortgage over into a fully amortizing fixed-rate loan with 13 years remaining maturity.
   a. After you rolled the loan over, you would report the loan as a 15-year fixed-rate mortgage. This is because its 20-year total maturity is less than the 25-year cutoff for inclusion in the 30-year mortgage category.
3. A 30-year, two-step mortgage has a single interest rate reset after five years.
   a. During the first five years of its life, you would report the mortgage as a balloon mortgage, with its remaining maturity equal to the number of months until the rate reset date.
   b. Following the rate reset, you would report the mortgage as a 30-year fixed-rate mortgage. The remaining maturity would be equal to the number of months until the maturity date.
4. A 30-year fixed-rate mortgage that you may call after six years. The note does not stipulate any further calls or rate resets.
   a. Report the mortgage as a balloon for the first six 6 years of its life. Its remaining maturity is equal to the number of months until the call date.
   b. If you roll the mortgage over after six years, reporting would depend on the provisions written into the new or amended note.
5. A 30-year mortgage has a fixed rate of interest for six years, but the contract stipulates that the rate will adjust annually thereafter.

a. For the first year of its life, report the mortgage as a balloon mortgage. Its remaining maturity is equal to the number of months until the rate reset date.

b. After the first year, report it in the single family, ARM section, CMR141 through CMR245. This is because, in the future, its interest rate will be subject to reset at least every five years, as required for reporting in that section. The remaining maturity of the mortgage is equal to the number of months until the final maturity date.

6. A 30-year fixed-rate mortgage that you may call after six years and is subject to annual calls thereafter.

   a. The reporting would be the same as in Example 5. We treat scheduled resets and calls the same.

7. A 30-year mortgage is subject to rate resets, or calls, every five years.

   a. Report it as an ARM, because the interest rate may potentially reset at least every five years as required for reporting in the ARMs section.

CMR125: Total Fixed-Rate, Single-Family, First Mortgage Loans and Mortgage-Backed Securities

The electronic filing software will compute this line as the sum of: CMR001 through CMR005, CMR026 through CMR030, CMR046 through CMR050, CMR066 through CMR070, CMR076 through CMR080, CMR096 through CMR100, and CMR106 through CMR110.

ADJUSTABLE-RATE, SINGLE-FAMILY, FIRST MORTGAGE LOANS AND MORTGAGE-BACKED SECURITIES

Report requested information about performing adjustable-rate, single-family, first mortgage loans – ARMs, participations in such loans, and pass-through securities backed by such loans.

Include:

1. Adjustable-rate fully amortizing mortgages.
2. Adjustable-rate balloon payment mortgages.
3. Fixed-rate mortgages subject to call at contractually set intervals of at most every five years.
4. ARMs that you own, but do not service.
5. Combination construction-permanent mortgages for single-family dwellings with interest rates meeting any of the above criteria, even if construction is not complete.

Do not include the following types of mortgages. Report instead with fixed-rate mortgages on CMR001 through CMR125:

1. Mortgages with a single rate adjustment. For instance, those that would qualify for the FNMA Two-Step Mortgage program.
2. Mortgages with interest rates that adjust less often than every five years.
3. Mortgages with coupons that were adjustable in the past, but that do not have any further rate adjustments scheduled during their remaining term.
4. Mortgages with rates that change over time by prespecified steps. For example, a 2/1 Buydown with rates scheduled to be 7 percent in year one, 8 percent in year two, and 9 percent thereafter.

Also, **do not include**:

1. Nonperforming mortgages. Report on CMR501.
2. Mortgage warehouse loans (loans collateralized by mortgage loans rather than liens directly on real estate). Report as commercial loans on CMR325.
3. Mortgages you service for others. Report in the section dealing with mortgage servicing rights, CMR401 through CMR450.
4. Second mortgages, even when you hold both the first and second liens. Report as second mortgages on CMR311.

Group mortgages according to type of index – current market or lagging market – and frequency of coupon reset, as described below. Report ARMs originated at introductory rates below the fully indexed rate, teaser rates, and that remain at their introductory rates – have not yet reset – separately on CMR141 through CMR150, and are not reported with other ARMs on CMR156 through CMR215. Do not distinguish between convertible and nonconvertible ARMs.

Current Market Index ARMs

ARMs with indices that adjust quickly to changes in market interest rates are current market index ARMs. Examples of current market indices include the following:

1. Rates on Treasury securities.
2. Prime rate.
3. London Interbank Offered Rate (LIBOR).
4. FHLB advance rate.
5. FHLMC sixty-day rate.

Indices that adjust to changes in market interest rates less quickly are lagging market indices. We group ARMs using such indices separately. See Lagging Market Index ARMs below.

Divide current market index ARMs into three groups based on the frequency that their coupons reset. Group ARM securities according to the frequency that their underlying loans reset, not on the coupon reset frequency of the security. Report current market index ARMs with coupons that reset as follows:

1. Every six months or less — report in the Current Market Index column **6 Mo. or Less**.
2. Less frequently than semiannually, but at least every two years —– report in the Current Market Index column **7 Mo. to 2 Yrs**.
3. Less often than every two years, but at least every five years — report in the **2+ Yrs. to 5 Yrs.** column.

Report ARMs that reset less often than every five years with Fixed-Rate Balloon Mortgages. See instructions above.

Group ARMs that have irregular adjustment periods according to the remaining time until the loan will begin accruing at a new rate. For example, you would report an ARM with a rate that will reset for the first time after 36 months and then annually thereafter in the **2+ Yrs. to 5 Yrs.** column during the first 12 months of its life, and in the **7 Mo. to 2 Yrs.** column thereafter.

Lagging Market Index ARMs

ARMs with indices that adjust to changes in market interest rates less quickly than current market indices are lagging market index ARMs. Examples of lagging indices include the following:

1. Cost of funds (COF) indices. For instance, FHLB 11th District COF Index, Federal COF Index.
2. National Average Contract Rate for the Purchase of Previously Occupied Homes.
3. Indices that are more than three months old. For instance, a rate adjustment based on the one-year Constant Maturity Treasury (CMT) yield six months before the adjustment date.
4. Indices based on portfolio rates, rather than current offered rates.
5. Rolling averages of indices using an index within the average that is more than three months old.

Divide information about lagging index ARMs into two groups based on the frequency that their accrual rates reset. Group ARM securities based on the frequency that their underlying loans reset not the coupon-reset frequency of the security. Report lagging market index ARMs with accrual rates that reset as follows:

1. Monthly or less — report in the Lagging Market Index column – **1 Month**.
2. Less often than monthly, but at least every five years — report in the Lagging Market Index column – **2 Mo. to 5 Yrs**.
3. Lagging index ARMs that reset less often than every five years — report with Fixed-Rate Balloon Mortgages. See instructions above. Report fixed-rate call mortgages that qualify for reporting as ARMs in the Lagging Market Index column that best approximates the number of months between call dates.

ARMs Not Indexed To Treasury, LIBOR, or COF

The OTS Model assumes you determine the coupons of ARMs by adding the reported margin to a Treasury rate index for current market index ARMs or a COF index for lagging index ARMs. This treatment may result in inaccurate interest rate exposure estimates for ARMs that do not have coupons tied to a Treasury, LIBOR, or COF index. That means they do not have coupons tied to the interest rates represented by codes 303 through 412, 811, 812, or 820 in Appendix A. Examples of ARMs not tied to those indices include the following:

1. ARMs indexed to the prime rate or the National Average Contract Rate.
2. ARMs with no contractual index where you have discretion to set rates at each reset interval.

If you have ARMs whose coupons use something other than a Treasury, LIBOR, or COF index, you should use the following reporting treatment:

After categorizing all ARM balances into the appropriate columns as described in the previous two sections, calculate what percent of each column's total balance consists of ARMs indexed to Treasury or LIBOR for current marked indices or a COF index for lagging market indices. Include both teaser and nonteaser ARMS. After categorizing all ARM balances into the appropriate columns as described in the previous two sections, calculate what percent of each column's total balance, both teaser and non-teaser, consists of ARMs indexed to Treasury or LIBOR for current marked indices or a COF index for lagging market indices.

If the ARM balances, both teaser and nonteaser, tied to a Treasury, LIBOR, or COF index are **less** than fifty percent of the total balance in a given column, report an entry of 9999 in the margin cell for that column – CMR161 through CMR165.

If the ARM balances, both teaser and nonteaser, tied to a Treasury, LIBOR, or COF index are fifty percent or **more** of the total balance, calculate the margin for that column based on only the margins of the nonteaser ARM balances that use a Treasury, LIBOR, or COF index.

Base all other ARM characteristics reported in the column – for instance, WAC, WARM, time until next payment reset, rate caps and floors – on all ARM balances in the column.

Teaser ARMs

Teaser ARMs are adjustable-rate mortgages that you originated with a temporary, introductory interest rate (teaser rate). Report an ARM as a Teaser ARM if it meets the following criteria:

1. The loan originated with an accrual rate that was below the fully indexed rate.
2. The loan had an introductory rate scheduled to reset 12 months or less after the first scheduled payment.
3. The ARM's first reset date has not yet passed.

Mortgages with interest rates fixed for a specified number of years and that subsequently adjust annually (such as 3/1 or 5/1 ARMs) will rarely meet the above criteria for Teaser ARMs.

CMR141 through CMR145: Balances Currently Subject to Introductory Rates

Report the outstanding balance of teaser ARM loans, participations, and securities currently subject to teaser rates by type of index and reset frequency on CMR141 through CMR145.

CMR146 through CMR150: Weighted-Average Coupon (WAC)

Report the WAC for each index and reset frequency category, in percentage points, on CMR146 through CMR150. Calculate the WAC as described in the general instructions to Schedule CMR, using coupon rates for mortgage loans and pass-through rates for mortgage securities. For loans serviced by others, use the contract rate of the loans. Do not subtract the servicing fee.

Example: You have $100,000 in ARM loans currently paying 8 percent interest and $200,000 of ARM securities with a pass-through rate of 7.40 percent. You would report a WAC of 7.60 percent for the combined $300,000 balance.

$$\text{WAC} = \frac{\$100{,}000\ (8.00\%) + \$200{,}000\ (7.40\%)}{\$300{,}000}$$

$$= 7.60\%$$

Note that for one-month Cost of Funds Index (COFI) ARMs you should calculate the WAC using the interest rate that the current payment uses, not the accrual rate.

Nonteaser ARMs

Report the following items by type of index and reset frequency for ARMs that are not subject to an introductory teaser rate:

CMR156 Through CMR160: Balances of All Nonteaser ARMs

Report the outstanding balance of loans, participations, and securities in each index and reset frequency category on CMR156 through CMR160.

CMR161 through CMR165: Weighted-Average Margin

Report the weighted-average margin of each ARM category, in basis points, on CMR161 through CMR165. Calculate the weighted-average margin as described in the general instructions to Schedule CMR.

In calculating the weighted-average margin, use the contractual margin, not the difference between the current coupon and the index. The contractual margin is the amount added to the index to calculate the fully indexed rate. The fully indexed rate may differ from the contractual margin when rate caps or floors are binding. For ARM securities, use the net margin. Net margin is the gross margin of the underlying loans less servicing and guarantee fees. For loans serviced by others, use the gross margin in the calculation; do not subtract the servicing fee. For mortgages that have a fixed interest rate for a specified number of years and that subsequently adjust annually (such as 3/1 or 5/1 ARMs), report the margin that the mortgage will use when the annual adjustments begin.

If ARMs tied to a Treasury, LIBOR, or COF index are less than 50 percent of the balances in a given column of the ARMs section, report an entry of 9999 in the margin cell.

CMR166 through CMR170: Weighted-Average Coupon (WAC)

Report the WAC for each category, in percentage points, on CMR166 through CMR170. Calculate the WAC as described in the general instructions to Schedule. Use coupon rates for mortgage loans and pass-through rates for mortgage securities. For loans serviced by others, use the contract rate of the loans. Do not subtract the servicing fee.

Example: Suppose you have $100,000 of ARM loans currently paying 8 percent interest and $200,000 of ARM securities with a pass-through rate of 7.40 percent. You would report a WAC of 7.60 percent for the combined $300,000 balance.

$$\text{WAC} = \frac{\$100{,}000\ (8.00\%) + \$200{,}000\ (7.40\%)}{\$300{,}000}$$

$$= 7.60\%$$

Note: For one-month COFI ARMs, calculate the WAC using the interest rate that the current payment uses, not the accrual rate.

CMR171 through CMR175: Weighted-Average Remaining Maturity (WARM)

Report the WARM for each category on CMR171 through CMR175. Calculate the WARM as described in the general instructions to Schedule CMR. For adjustable-rate balloon mortgages use the number of months until the balloon payment is due. For combination construction-permanent mortgages use the number of months until the permanent mortgage matures.

CMR176 through CMR180: Weighted-Average Time until Next Payment Reset

Report the weighted-average number of months until the next payment reset for each category, in months, on CMR176 through CMR180. The date of the next payment reset of an ARM is the date that the new payment is due to you. Do not use the date the loan begins to accrue at the new interest rate. Calculate this item in the same manner as the WARM described in the general instructions to Schedule. Use the number of months until next payment reset for each loan or mortgage security instead of the remaining maturity.

Example: You have two ARMs indexed to the one-year Constant Maturity Treasury (CMT) yield. One has a balance of $50,000 and two months until next payment reset. The other has a balance of $150,000 with ten months until next payment reset. You would report eight months as the weighted-average time until next payment reset on CMR177, in the **1-Year Reset** column.

$$\text{Weighted-Average Time Until Next Payment Reset} = \frac{\$50{,}000\ (2\text{ mo.}) + \$150{,}000\ (10\text{ mo.})}{\$200{,}000}$$

$$= 8\text{ months}$$

For ARMs with accrual rates and payments that reset at different frequencies (for example, one-month COFI ARMs), be careful to use the months to next payment reset, not months to the next reset of the accrual rate.

CMR185: Total Adjustable-Rate, Single-Family, First Mortgage Loans and Mortgage-Backed Securities

Report on CMR185, the outstanding balance of all ARM loans, participations, and securities reported on CMR141 through CMR145 and CMR156 through CMR160.

Memo Items for all ARMS (Reported at CMR185):

ARM Balances by Distance to Lifetime Cap

CMR186 through CMR215 collects information about the proximity of ARM coupons to their lifetime interest rate caps. Group all ARM loans, participations, and securities reported on CMR185 by the distance between the current coupon of each and its lifetime cap, as described below. For securities, use the distance between the pass-through rate and its lifetime cap – the net lifetime cap. For one-month COFI ARMs, calculate the distance between the cap and the interest rate that the current payment uses, not the accrual rate.

CMR186 through CMR190: Balances with Coupon within 200 Basis Points of Lifetime Cap

Report the outstanding balances of ARM loans, participations, and securities where the current coupon is 200 basis points or less below the lifetime cap.

CMR191 through CMR195: Weighted-Average Distance from Lifetime Cap

Report, in basis points, the weighted-average distance between the coupons and lifetime caps of the balances reported on CMR186 through CMR190. Calculate this item in the same manner as described for the WAC in the general instructions to Schedule CMR. However, instead of the coupon rate of each loan or security, use the number of basis points between the loan's, or security's, current coupon and lifetime cap. For one-month COFI ARMs, calculate the distance between the cap and the interest rate that the current payment uses, not the accrual rate.

CMR196 through CMR200: Balances with Coupon 201 - 400 Basis Points from Lifetime Cap

Report the outstanding balances of ARM loans, participations, and securities where the current coupon is at least 201 basis points, but no more than 400 basis points below the lifetime cap.

CMR201 through CMR205: Weighted-Average Distance from Lifetime Cap

Report, in basis points, the weighted-average distance between the coupons and lifetime caps of the balances reported on CMR196 through CMR200. Calculate this item in the same manner as described for CMR191 through CMR195.

CMR206 through CMR210: Balances with Coupon Over 400 Basis Points from Lifetime Cap

Report the outstanding balances of ARM loans, participations, and securities where the current coupon is more than 400 basis points below the lifetime cap.

CMR216 through CMR220: Weighted-Average Distance from Lifetime Cap

Report, in basis points, the weighted-average distance between the coupons and lifetime caps of the balances reported on CMR206 through CMR210. Calculate this item in the same manner as described for CMR191 through CMR195.

CMR211 through CMR215: Balances without Lifetime Cap

Report the outstanding balances of ARM loans, participations, and securities that have no lifetime cap.

The electronic filing software will compute CMR185 as the sum of CMR186 through CMR190, CMR196 through CMR200, CMR206 through CMR210, and CMR211 through CMR215.

ARM Cap and Floor Detail

CMR221 through CMR240 collects information about ARM periodic interest rate caps, periodic floors, and lifetime floors. Report the following items for all ARMs whose balances you report on CMR185:

CMR221 through CMR225: Balances Subject to Periodic Rate Caps

For ARM loans, participations, and securities that have periodic interest rate caps, report the outstanding balances by index and reset frequency category on CMR221 through CMR225. Do not include on these lines ARMs that have periodic payment caps, but that do not have rate caps.

CMR226 Through CMR230: Weighted-Average Periodic Rate Cap (in basis points)

For ARMs that have periodic interest-rate caps, report on CMR226 through CMR230 the weighted-average of those caps for each category, in basis points. Except as noted below, express the periodic rate cap as the maximum amount that the coupon may increase at each rate reset, in basis points; for example, as 100 basis points. Calculate this item in the same manner as described for the WAC in the general instructions to Schedule CMR. For each loan or security in a given cell of CMR221 through CMR225, weight its periodic cap by the outstanding dollar balance of the loan or security as a proportion of the total dollar balance in the cell.

Special Instructions for CMR230:

For ARMs whose coupons reset more than once a year, use the number of basis points that the coupon may increase in one year, rather than at each reset, to calculate the weighted-average periodic rate cap for CMR230. For example, for a lagging index ARM whose coupon resets every six months and that can change by no more than 100 basis points at each reset, use 200 basis points in calculating the weighted-average periodic rate cap.

CMR231 through CMR235: Balances Subject to Periodic Rate Floors

Report the outstanding balance of ARM loans, participations, and securities that have periodic interest rate floors, by index and reset frequency category, on CMR231 through CMR235.

CMR241 through CMR245: MBS Included in ARM Balances

Report on CMR241 through CMR245 the balance of mortgage securities included in the total ARM balances, both teaser and non-teaser, of each column. For example, use CMR241 to report the amount of ARM securities included on CMR141, balances of six-month current index ARMs carrying teaser rates. Also, use CMR241 to report the amount of ARM securities included on CMR156, balances of nonteaser six-month current index ARMs.

Multifamily and Nonresidential Mortgage Loans and Securities

Report information on all performing first and second mortgage loans secured by multifamily, five or more dwelling units, and nonresidential property, and all pass-through securities backed by multifamily and nonresidential mortgages. Also, include fixed-rate combination construction-permanent mortgages for such properties, if the loan has a fixed coupon for the entire term of the loan. We divided the reporting of this information into two categories: balloon mortgages and fully amortizing mortgages. A balloon loan is any loan with a term to maturity at least 120 months less than the number of months remaining until the loan would fully amortize if not for the balloon payment.

MULTIFAMILY AND NONRESIDENTIAL MORTGAGE LOANS AND SECURITIES:

Adjustable-Rate

Report loans that were at one time adjustable-rate but are now fixed-rate for their remaining term as fixed-rate loans. Report the following items for adjustable-rate multifamily and nonresidential mortgages:

CMR261 and CMR262: Balances

Report the following items:

1. Outstanding balance of loans.
2. Pro rata share of the outstanding balances of participations in multifamily and nonresidential mortgage loans.
3. Outstanding balances of mortgage pool securities backed by adjustable-rate multifamily and nonresidential mortgages.

Report outstanding balances of balloon mortgages on CMR261 and outstanding balances of fully amortizing mortgages on CMR262.

CMR263 and CMR264: Weighted-Average Remaining Maturity (WARM)

Calculate the WARM for fully amortizing, adjustable-rate multifamily and nonresidential mortgages as described in the general instructions to Schedule CMR; report on CMR264. For balloon mortgages, use the number of months until payment of the balloon, and report the result on CMR263.

Example: You have two balloon mortgages, each with an outstanding balance of $100. The first amortizes over 240 months but the entire remaining principal is due as a balloon in 60 months. The second amortizes over 360 months, but has a balloon payment in 84 months. The WARM for your balloon mortgages would be 72 months. [72 = ($100/$200) x 60 + ($100/$200) x 84].

CMR265: Remaining Term to Full Amortization

For adjustable-rate balloon mortgages only, report the weighted-average number of months remaining until the mortgage would fully amortize if not for the scheduled balloon payment, on CMR265. For example, for the two loans in the example above that amortize over 240 months and 360 months, respectively, you would report 300 months [300 = ($100/$200) X 240 + ($100/$200) X 360]. For interest-only loans – loans that do not amortize – use 360 months. Do not report this item for fully amortizing loans.

CMR267 and CMR268: Rate Index Code

From the List of Interest Rate Index Codes in Appendix A, determine the rate index code that represents the largest percentage of your adjustable-rate multifamily and nonresidential balances. For example, if 60 percent of your balances use the prime rate as an index and the remaining 40 percent use the one-year Treasury rate as an index, you would report the code for the prime rate, 830. Report the index representing the largest percentage of balloon mortgage balances on CMR267, and the index representing the largest percentage of fully amortizing mortgage balances on CMR268.

CMR269 and CMR270: Margin

For all balloon loans tied to the index reported on CMR267, calculate the weighted-average margin, in basis points, as described in the general instructions to Schedule CMR. Report the result on CMR269. For all fully amortizing loans tied to the index reported on CMR268, calculate the weighted-average margin and report the result on CMR270. In calculating the weighted-average margin on CMR269 and CMR270, only include loans that use indices reported on CMR267 and CMR268. For mortgage pool securities, use the net margin. Do not include guarantee and servicing fees.

CMR271 and CMR272: Reset Frequency

For all balloon loans tied to the index reported on CMR267, report the coupon reset frequency, in months, on CMR271. For all fully amortizing loans tied to the index on CMR268, report the reset frequency on CMR272. For loans with accrual rates and payments that reset at different frequencies, report the reset frequency of the accrual rate. If the loans that use the index reported on CMR267 or CMR268 reset with varying frequencies, calculate a weighted-average reset frequency in the same manner as the WARM described in the general instructions to Schedule CMR. Report on CMR271 and CMR272, respectively.

Memo: ARMs within 300 Basis Points of Lifetime Cap

CMR273 and CMR274: Balances

Report the outstanding balances of all adjustable-rate multifamily and nonresidential mortgages with lifetime interest rate caps and where the coupon is currently 300 basis points or less from the lifetime cap. For mortgage pass-through securities, use the pass-through rate on the security and the net lifetime cap in this determination. Report balances for balloon mortgages on CMR273, and balances for fully amortizing mortgages on CMR274.

CMR275 and CMR276: Weighted-Average Distance to Lifetime Cap (basis points)

For balances on CMR273 and CMR274 only, calculate the weighted-average difference between the current coupon and the lifetime cap, in basis points, in the same manner as described for the WAC in the general instructions to Schedule CMR. The weighted-average distance to the cap must be between 0 and 300. Report the results for balloon mortgages on CMR275 and the results for fully amortizing mortgages on CMR276.

Fixed-Rate

CMR281 through CMR282: Balances

Report the following items:

1. The outstanding balance of fixed-rate multifamily and nonresidential mortgages.
2. The pro rata share of the outstanding balances of participations in fixed-rate multifamily and nonresidential mortgages.
3. The outstanding balances of mortgage securities backed by fixed-rate multifamily or nonresidential mortgages.

Report outstanding balances of balloon mortgages on CMR281, and outstanding balances of fully amortizing mortgages on CMR282.

CMR283 and CMR284: Weighted-Average Remaining Maturity (WARM)

Calculate the WARM for fixed-rate multifamily and nonresidential loans as described in the general instructions to Schedule CMR. Report on CMR283 and CMR284. For combination construction-permanent mortgages, use the number of months until maturity for the permanent mortgage. For balloon mortgages, use the number of months until payment of the balloon. Report the result on CMR283. For fully amortizing mortgages, use the number of months until final maturity. Report the result on CMR284.

CMR285: Remaining Term to Full Amortization

For balloon mortgages only, on CMR285 report the weighted-average number of months until the mortgage would fully amortize if not for the scheduled balloon payment. For interest-only loans – loans that do not amortize – use 360 months. Do not report this item for fully amortizing loans.

CMR287 and CMR288: Weighted-Average Coupon (WAC)

Calculate the WAC as described in the general instructions to Schedule CMR. Report the WAC for balloon mortgages on CMR287 and the WAC for fully amortizing mortgages on CMR288. For securities backed by multifamily or nonresidential mortgages, use the coupon rate of the security, the pass-through rate.

Supplemental Reporting

If you hold adjustable-rate multifamily and nonresidential mortgages tied to a variety of different indices, you may wish to report those balances disaggregated by index type in the Supplemental Reporting Section. In addition, you may report loans and securities separately for both fixed- and adjustable-rate balances. The additional detail provided by such reporting improves the estimates produced by the OTS Model. For more information, see the instructions for Supplemental Reporting for Assets and Liabilities.

CONSTRUCTION AND LAND LOANS

Report information on land loans and on the disbursed amount of construction loans secured by single-family dwelling units, multifamily dwelling units, or nonresidential property on CMR291 through CMR298. Include combination construction-permanent mortgages where you have not set the interest rate on the permanent financing. Do not include combination construction-permanent mortgages that have a fixed rate for the entire term of the mortgage. Report instead with permanent mortgages in the relevant section of Schedule CMR. Report construction LIP in the Off-Balance-Sheet section of Schedule CMR.

Adjustable-Rate

Report the following items for performing adjustable-rate construction and land loans:

CMR291: Balances

Report the outstanding balance of adjustable-rate construction and land loans.

CMR293: Weighted-Average Remaining Maturity (WARM)

Report the WARM calculated as described in the general instructions to Schedule CMR for all adjustable-rate construction and land loans. Calculate the WARM using the lesser of the remaining maturity or the time to rate reset.

CMR295: Rate Index Code

Report the rate index code which you can obtain from the List of Interest Rate Index Codes in Appendix A. From the list of codes, determine the rate index code that represents the largest percentage of your adjustable-rate construction and land loan balances. For example, if 60 percent of your balances use the prime rate as an index and the remaining 40 percent use the one-year Treasury rate as an index, you would report the code for the prime rate, code 830.

CMR297: Margin

For the adjustable-rate balances tied to the index on CMR295, calculate the weighted-average margin as described in the general instructions to Schedule CMR. Report the result, in basis points. Do not include adjustable-rate construction loans tied to indices other than the one on CMR295.

CMR299: Reset Frequency

For the adjustable-rate construction and land loans tied to the index on CMR295, report the coupon reset frequency, in months. For loans with payments and accrual rates that reset with different frequencies, report the accrual rate reset frequency. If loans tied to the index on CMR295 reset with varying frequencies, calculate the weighted-average reset frequency in the same manner as described for the WARM in the general instructions to Schedule CMR.

Fixed-Rate

Report the following items for performing fixed-rate construction and land loans:

CMR292: Balances

Report the outstanding balance of fixed-rate construction and land loans.

CMR294: Weighted-Average Remaining Maturity (WARM)

Report the WARM, calculated as described in the general instructions to Schedule CMR, for all fixed-rate construction and land loans. For combination construction-permanent loans, use the number of months remaining in the construction phase of the loan.

CMR298: Weighted-Average Coupon (WAC)

For the fixed-rate balances on CMR292, calculate the WAC as described in the general instructions to Schedule CMR. Report the result, in percent.

Supplemental Reporting

If you hold adjustable-rate construction and land loans tied to a variety of different indices you may wish to report those balances disaggregated by index type in the Supplemental Reporting Section. The additional detail provided by such reporting improves the estimates produced by the OTS Model. For more information, see the instructions for Supplemental Reporting for Assets and Liabilities.

SECOND MORTGAGE LOANS AND SECURITIES

Report information about performing second mortgage loans on single-family dwellings and pass-through securities backed by such loans. Report all mortgages where you hold a junior lien, even if you also hold the first lien. Include all secured home improvement loans and all outstanding balances made under open-end revolving lines of credit, home equity loans, even when secured by a first lien. Loans reported here will often include loans reported as Consumer Loans in Schedule SC.

Report loans that were once adjustable-rate but are now fixed-rate for their remaining term and ARMs with coupons that are currently at their lifetime caps, as fixed-rate mortgages.

Adjustable-Rate

Report the following items for performing adjustable-rate second mortgage loans and pass-through securities backed by such loans. Report pay-through securities in Cash, Deposits, and Securities on CMR461 through CMR481, as appropriate.

CMR311: Balances

Report the outstanding balance of the following items:

1. Adjustable-rate second mortgage loans.
2. The pro rata share of the outstanding balances of participations in adjustable-rate second mortgage loans.
3. The outstanding balances of securities backed by adjustable-rate second mortgage loans.

CMR313: Weighted-Average Remaining Maturity (WARM)

Calculate the WARM for adjustable-rate, second mortgage loans as described in the general instructions to Schedule CMR.

For balloon mortgages, use the remaining time until payment of the balloon. For loans made under open-end lines of credit, calculate maturity as if the borrower will repay the existing loan balance by making the minimum payments required by the repayment schedule.

CMR315: Rate Index Code

From the List of Interest Rate Index Codes in Appendix A, determine the rate index code that represents the largest percentage of your adjustable-rate second mortgage balances. For example, if 60 percent of your balances use the prime rate as an index and the remaining 40 percent use the one-year Treasury rate as an index, you would report the code for the prime rate, code 830.

CMR317: Margin

For the ARMs tied to the index on CMR315, calculate the weighted-average margin as described in the general instructions to Schedule CMR. Report the result, in basis points. Do not include adjustable-rate second mortgage loans tied to indices other than the one on CMR315. For second mortgage securities included in the calculation, use the net margin in the calculation. Do not include guarantee or servicing fees.

The following example illustrates how to calculate the weighted-average margin on a portfolio containing an adjustable-rate second mortgage loan and an adjustable-rate second mortgage security.

Example: You have one adjustable-rate second mortgage loan indexed to the prime rate with a margin of 150 basis points, and an outstanding balance of \$100,000. You also have a mortgage security backed by adjustable-rate second mortgage loans with an outstanding balance of \$200,000. The loans underlying the security also use the prime rate as an index and have a margin of 150. The servicer receives 50 basis points. You receive a pass-through rate of prime plus 100 basis points. Calculate the weighted-average margin as follows:

$$\text{Weighted-Average Margin} = \frac{\$100{,}000\ (150) + \$200{,}000\ (100)}{\$300{,}000}$$

$$= 116.6$$

$$= 117 \text{ – rounded to nearest basis point}$$

CMR319: Reset Frequency

For the adjustable-rate second mortgages tied to the index on CMR315, report the coupon reset frequency, in months. For loans with payments and accrual rates that reset with different frequencies, report the accrual rate reset frequency. If loans tied to the index on CMR315 reset with varying frequencies, calculate a weighted-average reset frequency in the same manner as described for the WARM in the general instructions to Schedule CMR.

Fixed-Rate

Report the following items for performing fixed-rate second mortgage loans and pass-through securities backed by such loans. Report pay-through securities in Cash, Deposits, and Securities on CMR461 through CMR481, as appropriate.

CMR312: Balances

Report the outstanding balance of the following items:

1. Fixed-rate, second mortgage loans.

2. The pro rata share of participations in fixed-rate, second mortgage loans.
3. Securities backed by fixed-rate, second mortgages.

CMR314: Weighted-Average Remaining Maturity (WARM)

Calculate the WARM for fixed-rate, second mortgage loans as described in the general instructions to Schedule CMR. For balloon mortgages, use the remaining time until payment of the balloon, not the amortization period.

CMR318: Weighted-Average Coupon (WAC)

Report the WAC calculated as described in the general instructions to Schedule CMR. For securities backed by second mortgage loans, use the coupon rate of the security (the pass-through rate), not the WAC of the collateral.

Supplemental Reporting

If you hold second mortgages tied to a variety of different indices you may wish to report those balances disaggregated by index type in the Supplemental Reporting Section. The additional detail provided by such reporting improves the estimates produced by the OTS Model. See the instructions for Supplemental Reporting for information.

COMMERCIAL LOANS

Report on CMR325 through CMR330 information on all performing commercial loans and commercial financing leases, of the types on SC32.

In addition, include:

1. Mortgage warehouse loans, loans collateralized by mortgage loans rather than liens directly on the real estate, including those reported as Mortgage Loans on SC23.
2. Pass-through securities backed by commercial nonmortgage loans and leases, even though you report these as securities in Schedule SC, rather than as loans.

Do not include:

SBA securities. Report on CMR473 through CMR475.

Adjustable-Rate

Report the following items for performing, adjustable-rate, commercial loans and pass-through securities backed by such loans. Report pay-through securities in Cash, Deposits, and Securities on CMR461 through CMR481, as appropriate.

CMR325: Balances

Report the outstanding balance of adjustable-rate commercial loans.

CMR327: Weighted-Average Remaining Maturity (WARM)

Report the WARM for all adjustable-rate commercial loans calculated as described in the general instructions to Schedule CMR. For demand loans that pay interest only and have no definite maturity, use one month when you calculate WARM.

CMR329: Margin

For the balances tied to the index on CMR333, calculate the weighted-average margin as described in the general instructions to Schedule CMR. Report the result, in basis points.

CMR331: Reset Frequency

For the adjustable-rate commercial loans tied to the index on CMR333 below, report the coupon reset frequency, in months. For loans with payments and accrual rates that reset with different frequencies, report the accrual rate reset frequency. If loans tied to the index on CMR333 reset with varying frequencies, calculate the weighted-average reset frequency in the same manner as described for the WARM in the general instructions to Schedule CMR.

CMR333: Rate Index Code

Report the rate index code that represents the largest percentage of your adjustable-rate commercial loan balances from the List of Interest Rate Index Codes in Appendix A, determine. For example, if 60 percent of your commercial loan balances use the prime rate as an index and the remaining 40 percent use the one-year Treasury rate as an index, you would report the code for the prime rate, Code 830.

Fixed-Rate

Report the following items for performing, adjustable-rate, commercial loans and pass-through securities backed by such loans. Report pay-through securities in Cash, Deposits, and Securities on CMR461 through CMR481, as appropriate.

CMR326: Balances

Report the outstanding balance of fixed-rate commercial loans.

CMR328: Weighted-Average Remaining Maturity (WARM)

Calculate the WARM for all fixed-rate commercial loans as described in the general instructions to Schedule CMR. For demand loans that pay interest only and have no definite maturity, use one month when you calculate the WARM.

CMR330: Weighted-Average Coupon (WAC)

Report the WAC calculated as described in the general instructions to Schedule CMR.

Supplemental Reporting

The OTS Model assumes that all adjustable-rate commercial loans use the index on CMR333. If you hold adjustable-rate commercial loans tied to different indices you may wish to report those balances disaggregated by index type in the Supplemental Reporting Section. The additional detail provided by such reporting improves the estimates produced by the OTS Model. For information, see the instructions for Supplemental Reporting for Assets and Liabilities.

CONSUMER LOANS

Report on CMR335 through CMR343 information on performing consumer loans and consumer financing leases of the types on SC34. Also, include pass-through securities backed by consumer loans and leases, even though you report these as securities in Schedule SC, rather than as loans.

Do not include:

1. Open-end revolving loans secured by single-family homes, such as home equity loans.
2. Home improvement loans secured by single-family homes.

You should report all such loans as Second Mortgages on CMR311 and CMR312.

When calculating the following items, do **not** include credit card balances expected to pay off within the interest free grace period, reported on CMR590:

1. WARM.
2. WAC.
3. Margin (for adjustable-rate balances).

Adjustable-Rate

Report the following items for performing, adjustable-rate, consumer loans and pass-through securities backed by such loans. Report pay-through securities in Cash, Deposits, and Securities on CMR461 through CMR481, as appropriate.

CMR335: Balances

Report the outstanding balance of adjustable-rate consumer loans and the outstanding balances of asset-backed securities backed by adjustable-rate consumer loans.

CMR337: Weighted-Average Remaining Maturity (WARM)

Calculate the WARM for adjustable-rate consumer loans as described in the general instructions to Schedule CMR.

For loans made under open-end lines of credit, including credit cards, calculate maturity as if the borrower will repay the existing loan balance by making the minimum payments required by the repayment schedule. Do not include credit card balances expected to pay off within the interest free grace period. See the section on calculating the WARM for fixed-rate consumer loans for an example.

CMR339: Rate Index Code

From the List of Interest Rate Index Codes in Appendix A, determine the rate index code that represents the largest percentage of your adjustable-rate consumer loans. For example, if you had a consumer loan portfolio of 75 percent auto loans that use the prime rate as an index, and 25 percent mobile home loans that use the six-month Treasury bill rate as an index, you would report the code for the prime rate, Code 830.

CMR341: Margin

For the adjustable-rate consumer loans tied to the index on CMR339, calculate the weighted-average margin as described in the general instructions to Schedule CMR. Report the result, in basis points. Do not include adjustable-rate consumer loans tied to indices other than the one reported on CMR339. If the balances used by the margin are asset-backed securities, use the net margin (subtract the servicing spread). If they are credit card balances, do not include balances expected to pay off within the interest free grace period. See the calculation of the WAC for fixed-rate consumer loans for an example.

CMR343: Reset Frequency

For the adjustable-rate consumer loans tied to the index on CMR339, report the coupon reset frequency, in months. If the loans tied to the index on CMR339 reset with varying frequencies, calculate the weighted-average reset frequency in the same manner as the WARM described in the general instructions to Schedule CMR.

Fixed-rate

Report the following items for performing fixed-rate consumer loans and pass-through securities backed by such loans. Report pay-through securities in Cash, Deposits, and Securities on CMR461 through CMR481, as appropriate.

CMR336: Balances

Report the outstanding balance of fixed-rate consumer loans and the outstanding balances of asset-backed securities backed by fixed-rate consumer loans.

CMR338: Weighted-Average Remaining Maturity (WARM)

Calculate the WARM for all fixed-rate consumer loans and asset-backed securities as described in the general instructions to Schedule CMR. Do not include credit card balances expected to pay off in the interest-free grace period.

$$\text{WARM} = \frac{\$100{,}000\ (48) + \$70{,}000\ (60)}{\$170{,}000}$$

$$= 52.94$$

$$= 53 \text{ months – rounded to the nearest month}$$

CMR342: Weighted-Average Coupon (WAC)

Calculate the WAC for all fixed-rate consumer loans as described in the general instructions to Schedule CMR. For asset-backed securities, use the coupon of the security, the pass-through rate, not the coupon of the collateral. Do not include credit card balances expected to pay off within the interest-free grace period.

Example: You have $100,000 of fixed-rate credit card balances with a stated rate of 18 percent, and $100,000 of auto loans with a coupon of 10 percent. You estimate that 30 percent of the credit card balances typically pay off within the interest free grace period. Calculate the WAC for consumer loans as follows.

$$\text{WAC} = \frac{\$70{,}000\ (18.0\%) + \$100{,}000\ (10.0\%)}{\$170{,}000} = 13.29\%$$

Supplemental Reporting

If you hold a variety of types of consumer loans – auto loans, credit cards, education loans – or adjustable-rate consumer loans tied to a variety of different indices you may wish to report those balances disaggregated by loan type or index type in the Supplemental Reporting Section. The additional detail improves the estimates produced by the OTS Model. For information, see the instructions for Supplemental Reporting for Assets and Liabilities.

MORTGAGE-DERIVATIVE SECURITIES — BOOK VALUE

Mortgage-derivative securities include the following items:

1. Collateralized mortgage obligation (CMO) tranches.
2. Stripped mortgage-backed securities (SMBS).
3. CMO residuals.

In the lines described below, report mortgage-derivative securities at the same amount that you reported in Schedule SC. See general instructions for reporting Cash, Deposits, and Securities located immediately before the instructions for SC10. Enter securities in the high risk or low risk columns based on whether the following high-risk test would classify them as high risk or low risk:

A mortgage-derivative security is high risk if it meets any of the following criteria:

1. The expected remaining weighted-average life[1] of the security exceeds ten years.
2. The expected remaining weighted-average life of the security extends by more than four years for an immediate and sustained parallel shift in the yield curve of plus 300 basis points.

[1] Weighted Average Life (WAL) is a measure of the expected time until repayment of principal on a mortgage-backed security. WAL, in years, is calculated as:

$$\text{WAL} = \frac{P_1 + (2 \times P_2) + (3 \times P_3) + \cdots + (M \times P_M)}{(12 \times \text{Outstanding Balance})}$$

Where M = remaining number of months to maturity,
P_1, P_2, etc. = expected principal payments in each future month.

3. The expected remaining weighted-average life of the security shortens by more than six years for an immediate and sustained parallel shift in the yield curve of minus 300 basis points; or
4. The estimated change in the price of the security is more than 17 percent, due to an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

Report all high-risk, mortgage-derivative securities in the appropriate cells in the column *High Risk*. Report all mortgage-derivative securities that the test does not classify as high risk in the appropriate cells of the column *Low Risk*.

Floating-rate tranches that use a conventional widely used index are only subject to the second part of the third item in the high risk test above if the current interest rate on the tranche is below the maximum contractual interest rate on the tranche, the cap rate. Floating rate tranches tied to other indices, superfloaters, and inverse floaters are subject to the entire test.

Once you have determined the appropriate risk class of your mortgage derivative, you will break down balance and rate by the derivative security's characteristics. These characteristics are set forth in the following three sections: CMOs, CMO residuals, and stripped MBS.

Collateralized Mortgage Obligations (CMOs)

Report CMO tranches, excluding residuals, on CMR351 through CMR364 according to the characteristics of the tranche as defined below. Do not include CMO swaps. Include the value of CMO swaps, based on your estimates, on Supplemental Reporting of Market Value Estimates.

CMR351 and CMR352: Floating Rate

Report the amount of all CMO tranches that pay an interest rate tied to a floating-rate index on CMR351 and CMR352, as appropriate.

CMR353 and CMR354: Fixed Rate: Remaining Weighted-Average Life Not Exceeding Five Years

Report the amount of fixed-rate CMO tranches with remaining weighted-average lives of less than or equal to five years on CMR353 and CMR354, as appropriate. In general, report most support tranches, also called companion bonds, for short-term Planned Amortization Class (PAC) and Targeted Amortization Class (TAC) bonds on CMR353. Typically, report short-term PAC and TAC bonds and the first tranche of a sequential CMO on CMR354.

CMR355 and CMR356: Fixed Rate: Remaining Weighted-Average Life Greater Than Five Years, But Not Exceeding Ten Years

Report the amount of all fixed-rate CMO tranches with remaining weighted-average lives greater than five years but less than or equal to ten years on CMR355 and CMR356, as appropriate. Report support tranches for long-term PAC and TAC bonds and intermediate and long term sequential bonds on CMR355. Report long-term PAC and TAC bonds with a weighted-average life up to 10 ten years and second or third sequential bonds in a sequence on CMR356.

CMR357: Fixed Rate: Remaining Weighted-Average Life Greater Than Ten Years

Report the amount of all fixed-rate CMO tranches with remaining weighted-average lives in excess of ten years on CMR357. Also report most Z-tranches (also called accrual bonds, or accretion bonds).

CMR359: Superfloaters

Superfloaters are CMO tranches whose coupon adjusts in the same direction as, and by a multiple of a specified index, such as LIBOR. For example, 2 x LIBOR - 3 percent. The high-risk test classifies most superfloaters as high risk. Report the amount of high-risk superfloater tranches on CMR359. Report low-risk superfloater tranches on CMR352.

CMR361: Inverse Floaters and Super POs

An inverse floater has a coupon that adjusts in the opposite direction of an interest-rate index, such as LIBOR. A super PO is a zero-coupon support tranche for PAC or TAC tranches in a CMO. The high risk test will classify nearly all inverse floaters and super POs as high risk. Report the amount of high risk inverse floaters and super POs on CMR361. However, if you can demonstrate that an inverse floater or super PO tranche is low risk, report that tranche on CMR374.

CMR363 and CMR364: Other CMO Tranches

Report the amount of all other high-risk tranches on CMR363. This cell includes all other CMO products that you cannot classify into one of the above cells, and that you have not determined to be low risk. Report the amount of other low risk tranches on CMR364. This cell includes all other CMO products that you cannot classify into one of the above cells, and that you have not determined to be high risk according to the high risk test.

CMO Residuals

Report CMO residuals on CMR365 through CMR368 as described below. Residuals – also called excess cash flow or CMO equity – are instruments that represent a claim on excess cash flows remaining after the holders of the other classes have been paid. Certain CMO and REMIC tranches that do not represent claims on excess cash flows have been called residuals to satisfy the requirements in the Tax Reform Act of 1986. Report such residuals on CMR351 through CMR364 above, as appropriate.

CMR365 and CMR366: Fixed-Rate Residuals

Fixed-rate residuals are residuals from CMOs that contain only fixed-rate tranches. Report the amount of fixed-rate residuals on CMR365 and CMR366, as appropriate.

CMR367 and CMR368: Floating-Rate Residuals

Floating-rate residuals are residuals from CMOs that contain one or more floating-rate tranches. Report the amount of floating-rate residuals on CMR367 and CMR368, as appropriate.

STRIPPED MORTGAGE-BACKED SECURITIES

Report stripped MBS on CMR369 through CMR376 as described below. Interest Only (IO) strips are securities that receive only the interest payments from a pool of mortgages. Principal Only (PO) strips are securities that receive only the payments of principal from a pool of mortgages. IO and PO tranches of CMOs receive only interest payments and only principal payments, respectively, from part or all the collateral in a CMO.

CMR369 and CMR370: Interest-Only MBS

Report the amount of IO strips and IO tranches of CMOs on CMR369 and CMR370, as appropriate. The high risk test will classify most tranches as high risk and you should report them on CMR369. However, if you can demonstrate that an IO is low risk, report that tranche on CMR370.

CMR371 and CMR372: Weighted-Average Coupon (WAC)

Report the WAC of the underlying collateral of the IO strips or IO CMO tranches on CMR371 and CMR372, as appropriate.

CMR373 and CMR374: Principal-Only MBS

Report on CMR373 and CMR374 the amount of PO strips and PO tranches of CMOs that are not super POs. The high-risk test will classify most POs as high risk. Report them in CMR373. However, if you can demonstrate that a PO is low risk, you should report that tranche on CMR374.

CMR375 and CMR376: Weighted-Average Coupon (WAC)

Report on CMR375 and CMR376 the WAC of the underlying collateral of the PO strips or PO tranches that are not super POs.

CMR377 and CMR378: Total Mortgage-Derivative Securities

The electronic filing software will compute CMR377 as the sum of CMR351, CMR353, CMR355, CMR357, CMR359, CMR361, CMR363, CMR365, CMR367, CMR369, and CMR373. The electronic filing software will compute CMR378 as the sum of CMR352, CMR354, CMR356, CMR364, CMR366, CMR368, CMR370, and CMR374.

Reporting Estimated Market Values

Besides reporting book values as described above, certain savings associations should also report the estimated market values of their mortgage-derivatives on **Supplemental Reporting of Market Value Estimates using** asset code 123 in Appendix D. Specific instructions are described in the section, **Reporting of Estimated Market Values**.

You must report estimated market values if you meet any of the following criteria:

1. Have assets exceeding $500 million.
2. Have acquired any high risk mortgage-derivative security since December 31, 1988.

3. Have a portfolio of mortgage-derivatives with a book value that exceeds five percent of total assets.

MORTGAGE LOANS SERVICED FOR OTHERS

Report information on all performing, single-family, adjustable- and fixed-rate first mortgage loans that you service for others.

Include:

1. Mortgage loans you have sold to others but where you perform the servicing, even if you do not receive an ongoing servicing fee.
2. The mortgage balances of mortgage servicing rights you purchased.
3. Securitized mortgages – for example, a FHLMC swap – if you continue to perform the servicing. In this case, you own a mortgage security and the servicing rights on the mortgages underlying the security. Report the outstanding balance of the mortgages underlying the mortgage security both here and as a mortgage security, in the relevant lines of the fixed-rate or ARMs section.
4. Mortgage balances where you own the servicing right but someone else performs the servicing, if you receive a net fee after you pay the subservicer.
5. Mortgage balances where you perform servicing on a contractual basis – you act as subservicer – for another entity that owns the servicing rights and this arrangement will continue for the life of those mortgages.
6. In cases where you own a share of a pool but service the entire pool, report only the share you do not own.

Do not include:

1. Mortgage loans that a consolidated subsidiary services for you.
2. Loans being serviced other than single-family first mortgage loans.
3. Mortgage loans where you will perform servicing on a contractual basis – you act as subservicer – for another entity for less than the life of the mortgages.

You may report your estimates of the economic value of servicing rights described above under **Do not Include** on CMR912 through CMR918, Market Value Estimates of Off-Balance-Sheet Contracts.

Fixed-Rate Mortgage Loan Servicing

CMR401 through CMR405: Balances Serviced

Report the outstanding balances of fixed-rate mortgages that you service for others according to the five following coupon ranges:

1. Less than 7 percent.
2. 7 percent to 7.99 percent.
3. 8 percent to 8.99 percent.
4. 9 percent to 9.99 percent.
5. 10 percent and above.

CMR406 through CMR410: Weighted-Average Remaining Maturity (WARM)

For each coupon range, report the WARM of the mortgages on CMR401 through CMR405. Calculate the WARM as described in the general instructions to Schedule CMR.

CMR411 through CMR415: Weighted-Average Servicing Fee

For each coupon range, report the weighted-average net servicing fee you retain, in basis points. See the example below for a description of the calculation. The mortgage servicing fee is the spread you retain. This is the difference between the weighted-average note rate on the mortgages being serviced and the rate of interest passed on to the owner of the mortgages, less any payments to third parties such guarantors, master servicers, and subservicers.

CMR421: Total Number of Fixed-Rate Loans Serviced That Are Conventional Loans

Report on CMR421 the number of conventional loans in the balances on CMR401 through CMR405.

CMR422: Total Number of Fixed-Rate Loans Serviced That Are FHA/VA Loans

Report on CMR422 the number of FHA and VA loans in the balances on CMR401 through CMR405.

CMR423: Total Number of Fixed-Rate Loans Serviced That Are Subserviced by Others

Report the total number of fixed-rate mortgage loans included on CMR421 through CMR422 where you own the right to service for others but have contracted the servicing out to a subservicer.

The following example illustrates how to calculate the weighted-average servicing fee:

Example: You have a servicing portfolio consisting of the following three fixed-rate loans, each with a current outstanding balance of $100,000.

1. You purchased the rights to service a GNMA security with a pass-through rate of 8 percent, and a WAC on the underlying mortgages of 8.5 percent. Although the difference between the pass-through rate and the WAC is 50 basis points, GNMA receives six basis points for its guarantee fee and you retain 44 basis points. You should use 44 basis points when you calculate the weighted-average servicing fee.
2. You originated a mortgage with a coupon of 8.5 percent and sold it on the secondary market to yield 7.5. You should include the full one hundred 100-basis point fee when you calculate the weighted-average servicing spread.
3. You own the servicing rights on an 8.6 percent mortgage with a servicing fee of 45 basis points; however, you contracted with a subservicer to service the loan for 30 basis points. You should use the remaining 15-basis point fee you retain in calculating the weighted-average servicing spread. Because another savings association subservices this loan, you should include it in the number of loans on CMR423.

Calculate the weighted-average servicing fee for these three loans as follows:

$$\text{Weighted-Average Servicing Fee} = \frac{44(\$100{,}000) + 100(\$100{,}000) + 15(\$100{,}000)}{\$300{,}000}$$

$$= 53 \text{ basis points}$$

You would report this as 53 on CMR413.

Adjustable-Rate Mortgage Loan Servicing

CMR431 through CMR432: Balances Serviced

Report the outstanding balances of ARMs serviced for others that reset based on current market indices on CMR431 and those that reset based on lagging market indices on CMR432. See the instructions for adjustable-rate single-family mortgages for a definition of current market versus lagging indices.

CMR433 through CMR434: Weighted-Average Remaining Maturity (WARM)

Report the WARM of ARMs of each index type on CMR433 and CMR434. Calculate the WARM as described in the general instructions to Schedule CMR.

CMR435 and CMR436: Weighted-Average Servicing Fee

Report the weighted-average net servicing fee that you retain in basis points for current market index ARMs on CMR435 and for lagging market index ARMs on CMR436. See example above for description of its calculation. The mortgage servicing fee is the spread you retain. This is the difference between the weighted-average note rate on the mortgages being serviced and the rate of interest passed on to the owner of the mortgages, less any payments to third parties such as guarantors, master servicers, and subservicers.

CMR441: Total Number of Adjustable-Rate Loans Serviced

On CMR441 report the total number of adjustable-rate loans in the balances on CMR431 and CMR432.

CMR442: Of Which, Number Subserviced by Others

On CMR442 report the total number of ARM loans in CMR441 where you own the right to service for others but have contracted the servicing out to a subservicer.

CMR450: Total Balances of Mortgage Loans Serviced for Others

The electronic filing software will compute this line as the sum of the balances on CMR401 through CMR405, CMR431, and CMR432.

CASH, DEPOSITS, AND SECURITIES

We collect information about most of the financial instruments on SC10, Cash, Deposits, and Investment Securities, in this section. We do not include mortgage-derivative securities. General instructions to Schedule CMR that apply to this section are:

1. Report outstanding principal balances, not carrying values, unless explicitly instructed otherwise. Do not deduct or add discounts and premiums or valuation allowances.
2. Report coupon rates, not effective rates, unless explicitly instructed otherwise.
3. In calculating the WARM, observe the following:

   a. For a security that will repay principal periodically over its life, such as through scheduled sinking fund repayments, you should treat each repayment as a separate instrument when calculating the WARM.

   b. For variable-rate instruments, calculate the WARM using the months to the next repricing as the remaining months to maturity.

CMR461: Cash, Non-Interest-Earning Demand Deposits, Overnight Fed Funds, Overnight Repurchase Agreements

Report on CMR461 the outstanding balance of cash, cash items, non-interest-earning demand deposits, overnight Federal funds sold, securities purchased under overnight repurchase agreements, and investments in money market mutual funds. **Also, include accrued interest or dividends receivable on deposits and investment securities that you report on CMR377, CMR378, and CMR461 through CMR481.**

CMR464: Equity Securities (Including Mutual Funds) Subject to SFAS No. 115

Report the fair value of investments in equity securities subject to SFAS No. 115 and the fair value of investments in mutual funds. Include limited partnership investment funds subject to SFAS No. 115. Include investments in perpetual preferred stock or preferred stock convertible to common stock where such preferred stock has a readily determinable fair value.

Do not include:

1. Investments in money market mutual funds. Report on CMR461.
2. Preferred and common stock where there is no readily determinable fair value. Report on CMR530.

CMR470 through CMR472: Zero-Coupon Securities

On CMR 470 report the recorded investment of zero-coupon securities, including Treasury bills. Do not include Z-tranches or accrual bonds of CMOs or REMICs. You should report those on CMR357. On CMR471, instead of a WAC, report the internal rate of return of these securities regardless of whether you report them at historic cost or fair value. Report the WARM on CMR472. Do not include securities that you could consider complex securities such as callable zero-coupon securities. Thrifts with complex securities, including structured securities, are required to self-value these instruments on the section, **Supplemental Reporting of Market Value Estimates** using asset code 121 in Appendix D. We define both complex securities and structured securities in Thrift Bulletin 13a, Appendix D.

CMR473 through CMR475: Government and Agency Securities

Report debt instruments issued by the US government and nonmortgage debt issued by federal agencies.

Include:

1. US Treasury securities, except Treasury bills on CMR470.
2. Nonmortgage debt issued by FNMA, FHLMC, GNMA, the FHLB System, and other government sponsored agencies.
3. FICO bonds.
4. SBA securities.

Do not include:

1. Mortgage-backed instruments or derivatives issued or guaranteed by FNMA, FHLMC, or GNMA. Report with Mortgage-Backed or Mortgage-Derivative Securities as appropriate.
2. Complex securities, including structured securities, as described in Thrift Bulletin 13a, Appendix D.
3. Stripped securities. Report on CMR470.
4. Stock of Federal agencies.
5. Securities issued by state or local governments.
6. Securities purchased under overnight repurchase agreements.

On CMR473 report the outstanding principal balance of the relevant instruments. Report the WAC of those balances on CMR474 and their WARM on CMR475. The general instructions to Schedule CMR describe how to calculate both of these items.

Supplemental Reporting

If the balance reported on CMR473 includes adjustable-rate or inverse floating-rate securities, report that balance at a greater level of detail in the Supplemental Reporting Section. The additional detail provided by such reporting improves the estimates produced by the OTS Model. For information, see the instructions for Supplemental Reporting for Assets and Liabilities.

CMR476 through CMR478: Term Fed Funds, Term Repurchase Agreements, and Interest-Earning Deposits

Include any Fed funds sold and securities purchased under repurchase agreements that you did not report on CMR461. Also, include interest-earning nonmaturity deposits and all time deposits held with banks and other depository institutions, including FHLBs. Report the outstanding principal balance on CMR476, the WAC of those balances on CMR477, and their WARM on CMR478. For deposits that have no contractual maturity, use one month when you calculate the WARM.

CMR479 through CMR481: Other (Munis, Mortgage-Backed Bonds, Corporate Securities, Commercial Paper, Etc.)

This section includes a broad range of securities:

1. Debt securities issued by state and local governments.
2. Commercial paper and other corporate debt securities, except for structured securities as described in Appendix D of Thrift Bulletin 13a.
3. Mortgage-backed bonds.
4. Promissory notes.
5. Limited life preferred stock.

Do not include:

Callable and other structured securities of these types. Report the market value estimates of these on **Supplemental Reporting of Market Value Estimates** using asset code 121 found in Appendix D.

Report the outstanding principal balance of these securities on CMR479, their WAC on CMR480, and their WARM on CMR481. In calculating the WAC use the tax-equivalent yield for state, county, and municipal securities. Use the dividend yield for preferred stock.

Supplemental Reporting

If the balance reported on CMR479 includes adjustable-rate or inverse floating-rate securities, you may report that balance at a greater level of detail in the Supplemental Reporting Section. The additional detail provided by such reporting improves the estimates produced by the OTS Model. For information, see the instructions for Supplemental Reporting for Assets and Liabilities.

Outstanding Balance of Complex Securities (Not including Mortgage Derivative Securities)

Thrifts with complex securities, including structured securities, are required to self-value these instruments in the section **Supplemental Reporting of Market Value Estimates** using asset code 121 in Appendix D. We define both complex securities and structured securities in Thrift Bulletin 13a, Appendix D. Do not include mortgage derivative securities.

CMR490: Total Cash, Deposits, and Securities

The electronic filing software will compute this line as the sum of the balances on CMR461, CMR464, CMR470, CMR473, CMR476, and CMR479. For all editing and output data uses, our data systems will add the balance for complex securities reported as code 121 in the section for Supplemental Reporting of Market Value Estimates to this line.

ADDITIONAL ITEMS

You report in this section certain additional items needed for the OTS Model. The definitions and instructions for these items are the same as on Schedule SC.

Items Related to Mortgage Loans and Securities

The following items pertain to asset balances on CMR125, CMR185, CMR261, CMR262, CMR281, CMR282, CMR291, CMR292, CMR311, and CMR312.

CMR501: Nonperforming Loans

Report the outstanding balance of nonperforming mortgage loans and securities. Nonperforming loans are nonaccrual loans plus loans that are at least 90 days past due but still accruing interest.

Include:

Nonperforming mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Nonperforming home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

CMR502: Accrued Interest Receivable

Report amounts for the types on SC220, Accrued Interest Receivable on Mortgage Pool Securities, and SC272, Accrued Interest Receivable on Mortgage Loans.

Include:

Interest receivables on mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Interest receivables on home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

CMR503: Advances for Taxes and Insurance

Report amounts paid on behalf of borrowers for taxes and insurance of the types reported on SC275, Advances for Taxes and Insurance.

Include:

Advances related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Advances related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

CMR504: Less: Unamortized Yield Adjustments

Report the net amount of unamortized premiums and discounts related to balances on CMR125, CMR185, CMR261, CMR262, CMR281, CMR282, CMR291, CMR292, CMR311, and CMR312.

Include:

Premiums or discounts related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Premiums or discounts related to home equity or secured home improvement loans that you reported as Consumer Loans in Schedule SC.

CMR507: Less: Valuation Allowances

Report general and specific valuation allowances established to recognize credit losses.

Include:

Allowances related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Allowances related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

CMR508: Unrealized Gains (Losses)

Report, on a consolidated basis, gross unrealized gains (losses) on loans held for sale, available-for-sale securities, and trading securities. Also report the unamortized deferred gains and losses on hedging transactions closed prior to adoption of SFAS No. 133, and the accumulated gain or loss (change in fair value) on the asset attributable to the designated risk being hedged on a qualifying fair value hedge under SFAS No. 133.

Include:

Unrealized gains or losses related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Unrealized gains or losses related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Items Related to Nonmortgage Loans and Securities

The following items pertain to asset balances on CMR325, CMR326, CMR335, and CMR336.

CMR511: Nonperforming Loans

Report the outstanding balance of nonperforming nonmortgage loans. Nonperforming loans are nonaccrual loans plus loans that are at least 90 days past due but still accruing interest.

Include:

Nonperforming home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

Nonperforming mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

CMR512: Accrued Interest Receivable

Report amounts of the types on SC348, Accrued Interest Receivable on Nonmortgage Loans.

Include:

Interest receivables on home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

Interest receivables on mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

CMR513: Less: Unamortized Yield Adjustments

Report the net amount of unamortized premiums and discounts related to balances on CMR325, CMR326, CMR335, and CMR336.

Include:

Premiums or discounts related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

Premiums or discounts related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

CMR516: Less: Valuation Allowances

Report general and specific valuation allowances established to recognize credit losses.

Include:

Allowances related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

1. Allowances related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.
2. Valuation allowances established to recognize decreases in the value of real estate held for investment or repossessed assets. See instructions for CMR520 and CMR525 for proper treatment of such valuation allowances.

CMR517: Unrealized Gains (Losses)

Report unrealized gains (losses) on loans held for sale, available-for-sale securities, and trading securities. Also report the unamortized deferred gains and losses on hedging transactions closed prior to adoption of SFAS No. 133, and the accumulated gain or loss, change in fair value, on the asset attributable to the designated risk being hedged on a qualifying fair value hedge under SFAS No. 133.

Include:

Unrealized gains or losses related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

Unrealized gains or losses related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

CMR520: Real Estate Held for Investment

Report assets of the types on SC45. Report those amounts net of any appropriate valuation allowances. CMR520 should equal SC45.

CMR525: Repossessed Assets

Report repossessed assets of the types on SC405 through SC430. Report those amounts net of any appropriate valuation allowances. CMR525 should equal SC40.

CMR530: Equity Investments Not Subject to SFAS No. 115 (Excluding FHLB Stock)

Report equity investments of the type on SC50, net of any appropriate valuation allowances. Do not report any loans made to such entities. You should reclassify any investments accounted for by the equity method with a negative balance to CMR786, Miscellaneous Liabilities I.

CMR535: Office Premises and Equipment

Report assets of the types on SC55. CMR535 should equal SC55.

Items Related to Certain Investment Securities

CMR538: Unrealized Gains (Losses)

Report gross unrealized gains (losses) on any available-for-sale securities and trading securities on CMR461, CMR473, CMR476, and CMR479. Also report the unamortized deferred gains and losses on hedging transactions closed prior to adoption of SFAS No. 133, and the accumulated gain or loss, change in fair value, on the asset attributable to the designated risk being hedged on a qualifying fair value hedge under SFAS No. 133.

Do not include:

1. Unrealized gains (losses) related to equity securities reported on CMR464.

2. Unrealized gains (losses) related to zero-coupon securities reported on CMR470.

Both CMR464 and CMR470 are reported at recorded investment and, thus, already include unrealized gains or losses.

CMR539: Less: Unamortized Yield Adjustments

Report the net amount of unamortized premiums and discounts on securities whose balances you report on CMR461, CMR473, CMR476, and CMR479.

Do not include:

1. Unamortized yield adjustments related to equity securities reported on CMR464.
2. Unamortized yield adjustments related to zero-coupon securities reported on CMR470.

Both CMR464 and CMR470 are reported at recorded investment and, thus, already include premiums and discounts.

CMR540: Less: Valuation Allowances

Report all valuation allowances related to securities whose balances you report on CMR377, CMR378, CMR461, CMR464, CMR470, CMR473, CMR476, and CMR479. Include both general valuation allowances of the type reported on SC199 and specific valuation allowances.

Other Assets

CMR541: Servicing Assets, Interest-Only Strip Receivables, and Certain Other Instruments

Report assets of the types reported on SC642, Servicing Assets on Mortgage Loans, SC644, Servicing Assets on Nonmortgage Loans, and SC655, Interest-Only Strip Receivables and Certain Other Instruments. CMR541 should equal the sum of SC642, SC644, and SC655.

CMR543: Miscellaneous I

Report assets of the types included on line SC690, Other Assets, except for the following items:

1. Unamortized options fees, Other Assets Code 16.
2. Deferred net losses (gains) on asset hedges, Other Assets Code 17.
3. Derivative instruments in a gain position at fair value, Other Assets Code 20.

Report amounts on CMR543 net of specific valuation allowances. Deduct all general valuation allowances on SC699 from this line. The sum of CMR543 and CMR544 should equal SC660 plus SC690, minus SC699.

CMR544: Miscellaneous II

Report assets of the types included on line SC660, Goodwill and Other Intangibles.

Include the following items included on SC690, Other Assets:

1. Unamortized options fees (Code 16).
2. Deferred net losses or gains on asset hedges (Code 17).
3. Fair value of all derivative instruments reportable as assets under SFAS No. 133 (Code 20).

The sum of CMR543 and CMR544 should equal SC660 plus SC690, minus SC699.

CMR550: Total Assets

The electronic filing software will compute this line as the sum of the following line items:

CMR125	CMR185	CMR261	CMR262	CMR281
CMR282	CMR291	CMR292	CMR311	CMR312
CMR325	CMR326	CMR335	CMR336	CMR377
CMR378	CMR490	CMR501	CMR502	CMR503
CMR508	CMR511	CMR512	CMR517	CMR520
CMR525	CMR530	CMR535	CMR538	CMR541
CMR543	CMR544			

Less the following items:

CMR504	CMR507	CMR513	CMR516	CMR539
CMR540				

CMR550 plus the balance for Complex Securities reported as code 121 on the section for Supplemental Reporting of Market Value Estimates should equal SC60, Total Assets. For all editing and output data uses, our data systems will add the balance for complex securities reported as code 121 in the section for Supplemental Reporting of Market Value Estimates to this line.

Memoranda Items

CMR578: Mortgage Warehouse Loans Reported as Mortgage Loans at SC23

Report the outstanding balance of performing loans included on SC23, Mortgage Loans, collateralized by mortgage loans rather than liens directly on real estate.

CMR580: Loans Secured by Real Estate Reported as Consumer Loans at SC34

Report the outstanding balance for the following types of performing loans on SC34 (Consumer Loans):

1. Any timeshare loans on CMR125 or CMR185.
2. Secured home improvement loans and revolving open-end loans secured by single-family dwellings, home equity loans, on CMR311 or CMR312.

Market Value of Equity Securities and Mutual Funds Reported at CMR464:

Report on CMR582 and CMR584 the current market value of the assets whose recorded investment you report on CMR464. The sum of CMR582 and CMR584 should equal CMR464.

CMR582: Equity Securities and Nonmortgage--Related Mutual Funds

Report on CMR582 the current market value of all investments in common stock, except FHLB stock, and in mutual funds that invest entirely in nonmortgage-related instruments.

CMR584: Mortgage-Related Mutual Funds

Report on CMR584 the current market value of all investments in mutual funds, including limited partnership investment funds, that have any investments in mortgages, mortgage securities, mortgage-derivative securities, mortgage servicing rights, or other mortgage-related instruments.

Besides reporting investments in mortgage-related mutual funds on CMR584, you may report more detail about your investments in such funds in the Supplemental Reporting section. Reporting this additional information improves the accuracy of the interest rate risk estimate that OTS will produce. For details, see the instructions for Supplement Reporting for Assets and Liabilities.

Mortgage Loans Serviced by Others

CMR586: Fixed-Rate Mortgage Loans Serviced by Others

Report on CMR586 the outstanding balance of all performing fixed-rate mortgages that you hold but others service.

CMR587: Weighted-Average Servicing Fee

Report on CMR587, in basis points, the weighted-average servicing fee paid to others to service the fixed-rate mortgage balances on CMR586. Calculate the weighted-average servicing fee in the same manner as described for the WAC in the general instructions to Schedule CMR.

CMR588: Adjustable-Rate Mortgage Loans Serviced by Others

Report on CMR588 the outstanding balance of all performing ARM balances that you hold but others service.

CMR589: Weighted-Average Servicing Fee:

Report on CMR589, in basis points, the weighted-average servicing fee paid to others to service the ARM balances on CMR588. Calculate the weighted-average servicing fee in the same manner as described for the WAC in the general instructions to Schedule CMR.

CMR590: Credit Card Balances Expected to Pay Off in Grace Period

Report on CMR590 the amount of the outstanding credit card balances expected to pay off within an interest-free grace period and, thus, not incur interest charges.

Example: You have $100,000 in outstanding fixed- and adjustable-rate credit card balances scheduled to pay off over 60 months. You estimate that customers will repay 30 percent of those balances within the grace period. You would report $30,000 on CMR590.

LIABILITIES

Annual Percentage Yields

Unless otherwise stated in the reporting instructions, report the interest rates for all liabilities as annual percentage yields (APYs). The rates and balances used in calculating the APY should be those as of the reporting date, unless otherwise stated in the reporting instructions. If the APY is equal to zero, report .01, one basis point.

In general, APY reflects the relationship between a given principal balance and the amount of interest that it would earn for a three hundred sixty-five day year. Calculate the APY using the following general formula:

$$\text{APY} = 100\,[(1 + \text{Interest/Principal})^{(365/\text{Days in Term})} - 1]$$

Where:

	Principal	=	The amount of funds on deposit as of the reporting date.
	Interest	=	The total dollar amount of interest that you will pay on the Principal over the remaining term of the account.
	Days in Term	=	The actual number of days remaining to maturity. You can use the above formula to compute the APY for instruments of any maturity.

We base the following examples on balances and rates as of the reporting date:

Example:

You will pay $30.37 in interest on a $1,000 certificate of deposit with six months remaining to maturity, where the six month period contains 182 days. Calculate the APY as follows:

$$\begin{aligned}\text{APY} &= 100\,[(1 + 30.37/1{,}000)^{(365/182)} - 1] \\ &= 6.18\%\end{aligned}$$

Suppose now that you will pay $133.13 in interest on a $1,000 certificate of deposit with two years remaining to maturity, where the two-year period contains 730 days. Calculate the APY as follows:

$$\begin{aligned}\text{APY} &= 100\,[(1 + 133.13/1{,}000)^{(365/730)} - 1] \\ &= 6.45\%\end{aligned}$$

Use Days in Term equal to 365 for accounts without a stated maturity. For example, you pay $61.68 in interest for $1,000 deposited in a NOW account for 365 days, assuming the depositor makes no further withdrawals or deposits during that time. Calculate the APY as follows:

$$\begin{aligned}\text{APY} &= 100\,(61.68/1{,}000) \\ &= 6.17\%\end{aligned}$$

Optional Reporting of Deposit Information

The reporting of some information relating to fixed-rate, fixed-maturity deposits (CDs) and nonmaturity deposits is optional. Specifically, Schedule CMR collects information on early withdrawals during the quarter for CDs, and the balances deposited in new accounts during the quarter for CDs and nonmaturity deposits. We intend to use this information to develop core deposit attrition rate estimates for each savings association that reports this optional data. The OTS Net Portfolio Value Model will use attrition rate estimates to estimate the interest rate sensitivity of your core deposits. The OTS Model will apply national attrition rate estimates to your core deposits if you choose not to report this information.

If you choose to report this optional information, you should do so consistently every quarter. If you choose not to report this information, you should leave the relevant reporting cells blank.

FIXED-RATE, FIXED-MATURITY DEPOSITS

CMR601-CMR603, CMR615-CMR617, CMR631-CMR632, and CMR641: Balances

Report each outstanding CD balance in the cell corresponding to its remaining maturity and original maturity.

Include:

1. CDs.
2. Notice accounts.
3. Consecutive monthly payment accounts – for example, Christmas Club accounts.

Do not include:

VRFM deposits. Report on CMR721 to CMR748.

Note*:* We include notice accounts in the maturity/repricing column that corresponds to the remaining term of the notice period. We include consecutive monthly payment accounts in the maturity/repricing column that corresponds to the remaining term required to qualify for the bonus rate.

CMR605-CMR607, CMR619-CMR621, CMR634-CMR635, and CMR643: Weighted-Average Coupon (WAC)

Report the weighted-average APY of the CD balances reported in each of the nine cells listed above. Calculate the weighted-average APY in the same way as described for the WAC in the general instructions to Schedule CMR.

CMR608-CMR610, CMR622-CMR624, CMR636-CMR637, and CMR644: Weighted-Average Remaining Maturity (WARM)

Report the WARM, in months, of the CD balances reported in each of the nine cells listed above. We describe how to calculate the WARM in the general instructions to Schedule CMR.

CMR604, CMR618, CMR633, and CMR642: Early Withdrawals during Quarter (Optional)

Reporting in these cells is optional. Report the dollar balances of CDs that meet both of the following criteria:

1. Subject to early withdrawal penalties.
2. Withdrawn before their contractual maturity during the quarter.

Report balances withdrawn before maturity according to what the remaining maturity of those balances would have been at the quarter's end had they not been withdrawn.

CMR645: Total Fixed-Rate, Fixed-Maturity Deposits (CDs)

The electronic filing software will compute this line as the sum of CMR601 through CMR603, CMR615 through CMR617, CMR631, CMR632, and CMR641.

MEMO: FIXED-RATE, FIXED-MATURITY DEPOSIT DETAIL:

CMR650 through CMR652: Balances in Brokered Deposits

For the total CD balances reported in each original maturity column, determine the portion that are brokered deposits. Report these balances for each original maturity. The term brokered deposit, defined in 12 CFR § 337.6, refers to funds obtained, directly or indirectly, by or through any deposit broker.

Example: You report $125,000 on CMR602, $225,000 on CMR616, and $250,000 on CMR631. Of the three balances, $50,000, $25,000, and $35,000, respectively, are in brokered accounts. You would report $110,000 (= $50,000 + $25,000 + $35,000) on CMR651.

Deposits with Early-withdrawal Penalties Stated in Terms of Months of Forgone Interest:

CMR653 through CMR655: Balances Subject to Penalty

For the balances reported in each original maturity column, determine the portion subject to early withdrawal penalties (EWPs) stated in months of forgone interest. Report these balances for each original maturity column. Do not include CDs having EWPs stated differently (flat penalty, market-related penalty).

Example: You report $125,000 on CMR602, $225,000 on CMR616, and $250,000 on CMR631. Of the $125,000 balance, $100,000 are CDs with an EWP of 1.12 month's interest. Of the $225,000 and $250,000 balances, a total of $450,000 are CDs with an EWP requiring forfeiture of 1.98 months' interest. You would report $550,000 (= $100,000+$450,000) on CMR654.

CMR656 through CMR658: Penalty in Months of Forgone Interest

For the balances reported in each original maturity column, and totaled on CMR653 through CMR655, report the weighted-average EWP in months of foregone interest for each year (or fraction of a year) of contractual maturity. Report to two decimal places. Report these for each original maturity column.

Example: You report $125,000 on CMR602, $225,000 on CMR616, and $250,000 on CMR631. Of the $125,000 balance, $100,000 are CDs with an EWP of 1.12 month's interest.[2] Both the $225,000 and

2 The early withdrawal penalties are in months of forgone interest for each year (or fraction of a year) of remaining maturity.

$250,000 aggregate balances are CDs with an EWP requiring forfeiture of 1.98 months' interest. You would calculate the weighted-average EWP on CMR657 as follows:

$$\text{EWP} = \frac{(100{,}000 \times 1.12) + (475{,}000 \times 1.98)}{(100{,}000 + 475{,}000)}$$

$$= 1.83 \text{ months}$$

CMR659 through CMR661: Balances in New Accounts (Optional)

Balances in new accounts are end-of-quarter balances in accounts where holders had no maturing deposits of similar original maturity with you during the quarter.

For example, a three-month CD issued during the quarter would not be a new deposit if the account holder had a CD with original maturity of 12 months or less that matured during the quarter. The three-month CD would be a New Account if it were a roll-over from a CD with an original maturity of more than 12 months.

- On CMR659, report the portion of balances on CMR601 and CMR615 that are new CD balances with original maturities of 12 months or less.
- On CMR660, report the portion of balances on CMR616 and CMR631 that are new CD balances with original maturities of 13 to 36 months.
- On CMR661, report the portion of balances on CMR632 and CMR641 that are new CD balances with original maturities of 37 or more months.

FIXED-RATE, FIXED-MATURITY FHLB ADVANCES, OTHER BORROWINGS, REDEEMABLE PREFERRED STOCK, AND SUBORDINATED DEBT

CMR675-CMR677, CMR679-CMR681, CMR683-CMR685, CMR687-CMR689, CMR691-CMR693, CMR695-CMR697, CMR699-CMR701, CMR703-CMR705: Balances

Report each outstanding balance of fixed-rate, fixed-maturity borrowings in the cell corresponding to its coupon class and remaining maturity.

Include:

1. FHLB advances.
2. Commercial bank loans.
3. Repurchase agreements.
4. Retail repurchase agreements.
5. Commercial paper issued.
6. Subordinated debt.
7. Redeemable preferred stock.
8. All other borrowings.

Do not include:

1. Notice accounts. Report on CMR601 to CMR661.
2. Consecutive monthly payments accounts. Report on CMR601 to CMR661.
3. Collateralized mortgage securities issued. Report on CMR785.
4. Structured borrowings. Report on Supplemental Reporting of Market Value Estimates, see below.
5. Variable-rate, fixed maturity borrowings. Report on Supplemental Reporting for Assets and Liabilities.

Distribute amortizing instruments across remaining maturity columns, in the appropriate coupon class, according to their contractual principal repayment schedules. For example, a $120,000 note, with an APY of 9.5 percent and remaining maturity of ten years, amortizes as follows:

1. $3,000 in the next three months.
2. $33,000 in months four through 36.
3. $84,000 in the last 84 months.

You would report the note on CMR695, CMR696, and CMR697 as $3,000, $33,000, and $84,000, respectively.

Structured Borrowings

For the purpose of these instructions, structured borrowings include borrowings or FHLB advances with embedded options or derivative-like features where the borrowings' coupon, average life, or redemption value is dependent on a reference rate, and index, or a formula. The term **structured borrowings** includes, but is not limited to, putable or callable borrowings, variable-rate borrowings with embedded caps, floors or collars, step-up variable rate borrowings, or amortizing borrowings.

OTS requires all institutions to report the market value of each structured borrowing in Supplemental Reporting of Market Value Estimates. Refer to the Supplemental Reporting of Market Value Estimates sections of these instructions for guidance on reporting market value estimates.

CMR678, CMR682, CMR686, CMR690, CMR694, CMR698, CMR702, CMR706: WAC

Report the **weighted-average coupon** (WAC) of the balances reported in each coupon class. To calculate the WAC, first determine the APYs of borrowings that you report in each coupon class. For instance, for the 5.00 to 5.99 percent class, determine the APYs of borrowings reported on CMR679 through CMR681. Second, for each coupon class, use these yields to calculate the WAC, as described in the general instructions to Schedule CMR.

CMR711 through CMR713: WARM

Report the **weighted average remaining maturity** (WARM) for each remaining maturity column. To calculate the WARM, first determine the remaining maturity of each of the borrowings that you report in each remaining maturity class. For example, for the 0 to 3 months column, determine the remaining maturity of borrowings on CMR675, CMR679, CMR683, CMR687, CMR691, CMR695, CMR699, and CMR703. Second, for each remaining maturity class, use these remaining maturities to calculate the WARM, as described in the general instructions to Schedule CMR.

CMR715: Total Fixed-Rate, Fixed-Maturity Borrowings

The electronic filing software will compute this line as the sum of CMR675 through CMR677, CMR679 through CMR681, CMR683 through CMR685, CMR687 through CMR689, CMR691 through CMR693, CMR695 through CMR697, CMR699 through CMR701, and CMR703 through CMR705.

Memo:

CMR755: Book Value of Redeemable Preferred Stock

Report the book value of redeemable preferred stock of the type reported on SC799.

NONMATURITY DEPOSITS

CMR762 through CMR763: Transaction Accounts

12 CFR § 561.29 defines transaction accounts and they include NOW, Super NOW, and other interest-bearing transaction accounts. Report total balances of all interest-bearing transaction accounts on CMR762.

Report the WAC for total interest-bearing transaction account balances on CMR763. Determine the APYs of balances on CMR762. Use these to calculate the weighted-average APY in the same manner as the WAC computation described in the general instructions to Schedule CMR, and report it on CMR763.

CMR764: Balances in New Accounts (Optional)

Reporting in this cell is optional. Balances in New Accounts are end-of-quarter balances in accounts where holders had no transaction accounts with you at the end of the prior quarter.

CMR765 through CMR766: Money Market Deposit Accounts

12 CFR § 561.28 or applicable state law defines money market deposit accounts (MMDAs). Report total balances of MMDAs on CMR765.

Report the WAC for MMDA balances on CMR766. Determine the APYs of balances on CMR765. Use these to calculate the weighted-average APY, in the same manner as the WAC computation described in the general instructions to Schedule CMR. Report the result on CMR766.

CMR767: Balances in New Accounts (Optional)

Reporting in this cell is optional. Balances in New Accounts are end-of-quarter balances in accounts whose holders had no MMDA with you at the end of the prior quarter.

CMR768 through CMR769: Passbook Accounts

Passbook accounts consist of all nonmaturity deposits not on CMR762, CMR765, and CMR771. Report total balances of Passbook Accounts on CMR768.

Report the WAC for passbook accounts balances on CMR769. Determine the APYs of balances on CMR768. Use these to calculate the weighted-average APY, in the same manner as the WAC computation described in the general instructions to Schedule CMR. Report the result on CMR769.

CMR770: Balances in New Accounts (Optional)

Reporting in this cell is optional. Balances in New Accounts are end-of-quarter balances in accounts where holders had no passbook accounts with you at the end of the prior quarter.

CMR771: Noninterest-Bearing Nonmaturity Deposits

Report balances of all nonmaturity deposit accounts that are permanently non-interest-bearing on CMR771. Do not include balances in nonmaturity deposits, transaction accounts or MMDAs, that do not currently earn interest because they are below the contracted minimum balance required to earn interest.

CMR773: Balances in New Accounts (Optional)

Reporting in this cell is optional. Balances in New Accounts are end-of-quarter balances in accounts where holders had no noninterest-bearing nonmaturity deposits with you at the end of the prior quarter.

ESCROW ACCOUNTS

Escrow accounts include the types of accounts on SC783 that you report in Schedule CMR as follows:

- Report balances of escrow accounts associated with single-family first mortgages that you own on CMR775.
- Report balances of tax and insurance escrows associated with single-family first mortgages serviced for others on CMR777.
- Report balances of principal and interest escrows established pursuant to loan servicing agreements, including those in custodial accounts, on CMR786, Miscellaneous Liabilities I.
- On CMR779, report balances of all escrow accounts not on CMR775, CMR777, and CMR786.
- Report escrow accounts associated with mortgages that you partially own according to the percentage of ownership.

Example: You sell an 80 percent participating interest in a pool of mortgages and retain the servicing. You have $60,000 in tax and insurance escrow accounts and $40,000 in principal and interest escrow accounts associated with the pool of mortgages. You would report the following amounts: on CMR775, $12,000 (= $60,000 x .20); on CMR777, $48,000 (= $60,000 x .80); and on CMR786, $40,000.

Report the WAC of escrows on CMR775, CMR777, and CMR779 on CMR776, CMR778, and CMR780, respectively. Calculate the WAC as described in the general instructions to Schedule CMR. If the WAC is zero, report 0.01, one basis point.

CMR781: Total Nonmaturity Deposits and Escrow Accounts

The electronic filing software will compute this line as the sum of CMR762, CMR765, CMR768, CMR771, CMR775, CMR777, and CMR779.

CMR782: UNAMORTIZED YIELD ADJUSTMENTS ON DEPOSITS

Report on CMR782 unamortized yield adjustments of the type on SC715. Also include the component of the carrying value of deposit liabilities that consists of accumulated gains and losses, the change in fair value on the deposits, attributable to the designated risk being hedged on a qualifying fair value hedge under SFAS No. 133.

CMR784: UNAMORTIZED YIELD ADJUSTMENTS ON BORROWINGS

Report on CMR784 unamortized yield adjustments applicable to liabilities of the types on the following line items:

1. SC720 (Advances from FHLBank).
2. SC730 (Federal Funds Purchased and Securities Sold Under Agreements to Repurchase).
3. SC735 (Subordinated Debentures, Including Mandatory Convertible Securities).
4. SC740 (CMOs, Including REMICs).
5. SC745 (Other Mortgage Collateralized Securities Issued).
6. SC760 (Other Borrowings).

Add to this amount any unamortized yield adjustments related to redeemable preferred stock of the type on SC799. Also include the component of the carrying value of borrowings that consists of accumulated gains and losses (the change in fair value on the borrowings) attributable to the designated risk being hedged on a qualifying fair value hedge under SFAS No. 133.

OTHER LIABILITIES

CMR785: Collateralized Mortgage Securities Issued

Report the carrying value of collateralized mortgage securities issued that you do not record as sales in accordance with GAAP. See FAS No. 77, *Reporting by Transferors of Receivables with Recourse* and FASB Technical Bulletin 85-2, *Accounting for Collateralized Mortgage Obligations*. Include CMOs and other collateralized mortgage securities issued.

CMR786: Miscellaneous Liabilities I

Report amounts of the types included on SC763, Accrued Interest Payable on Deposits, SC766, Accrued Interest Payable on Other Liabilities, SC776, Accrued Taxes, and SC780, Accounts Payable.

Include amounts of the types on line SC796, Other Liabilities and Deferred Income, except for the following:

1. Financial option fees received.
2. Deferred net gains (losses) on liability hedges.
3. Negative goodwill.
4. Derivative instruments in a loss position at fair value.

For definitions of these items, see the instructions for line SC796, code numbers 02, 03, 12, and 20, respectively.

Also report on CMR786, balances in principal and interest escrow accounts established pursuant to loan servicing agreements.

CMR787: Miscellaneous Liabilities II

Report amounts of the types included on line SC790, Deferred Income Taxes. Also include financial option fees received, deferred net gains (losses) on liability hedges, negative goodwill, and derivative instruments in a loss position at fair value. For definitions of these items, see the instructions for line SC796, code numbers 02, 03, 12, and 20, respectively.

CMR790: Total Liabilities (Incl. Redeemable Preferred Stock)

The electronic filing software will compute this line as the sum of CMR645, CMR715, CMR723, CMR730, CMR737, CMR744, CMR781, and CMR782 through CMR787. For all editing and output data uses, our data systems will add the following balances to this line:

1. Variable-rate, fixed-maturity liabilities reported as codes 200, 220, and 299 in the section for Supplemental Reporting for Assets and Liabilities.
2. Structured borrowings reported as codes 280 through 290 in the section for Supplemental Reporting of Market Value Estimates.

CMR793: MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES

Report on CMR793 amounts of the types included on SC799, Redeemable Preferred Stock and Minority Interest, less redeemable preferred stock and related unamortized yield adjustments reported elsewhere on Schedule CMR.

CMR796: EQUITY CAPITAL

Report on CMR796 the amount on SC80, Total Equity Capital.

CMR800: Total Liabilities, Minority Interest, and Capital

The electronic filing software will compute this line as the sum of CMR790, CMR793, and CMR796. For all editing and output data uses, our data systems will add the following balances to this line:

1. Variable-Rate, Fixed-Maturity Liabilities reported as codes 200, 220, and 299 in the section for Supplemental Reporting for Assets/Liabilities.
2. Structured Borrowings reported as codes 280 through 290 in the section for Supplemental Reporting of Market Value Estimates.

FINANCIAL DERIVATIVES AND OFF-BALANCE-SHEET POSITIONS

INTRODUCTION

Divide financial derivatives and off-balance-sheet (OBS) contracts into the following ten general types of contracts for reporting on Schedule CMR:

1. Optional commitments to originate mortgages.
2. Firm commitments to purchase, sell, or originate mortgages.
3. Optional commitments to purchase or sell mortgages.
4. Commitments to purchase or sell nonmortgage financial assets and liabilities.
5. Interest-rate swaps.
6. Interest-rate caps.
7. Interest-rate floors.
8. Futures.
9. Options on futures.
10. Construction LIP.

Note: Report information about financial derivatives and OBS contracts on Schedule CMR even if you have adopted SFAS No. 133 and report derivative instruments in Schedule SC on SC690, Other Assets, or SC796, Other Liabilities.

Report OBS contract positions on CMR801 through CMR880. To report an OBS contract position, report the contract code described below that corresponds to the position in the column *Contract Code*. Enter the notional principal amount of the position in the column *Notional Amount*. Report information in the other columns according to the instructions for each type of contract. We provide examples of how to report various positions for each type of contract in the individual sections.

Reporting More Than 16 Financial Derivatives and OBS Positions

CMR801 through CMR880 accommodate the reporting of 16 financial derivatives and OBS positions. If you have more than 16 positions, you must report the remaining positions by one of the following two methods:

1. Report the remaining positions on the continuation sheet *Supplemental Reporting for Financial Derivatives and Off-Balance-Sheet Positions* in the same manner as the initial 16 positions. Number each position sequentially in the column *Entry #,* beginning with the number 1 for the first position reported. Use as many continuation sheets as necessary to report the remaining positions. On CMR902, report the number lines that you report in this manner.
2. You may provide your own estimate of the market values of the remaining positions in each of the seven interest-rate scenarios on *Supplemental Reporting of Market Value Estimates*. To report under this method, see *Supplemental Reporting for Derivatives and OBS Contracts* in the section *Supplemental Reporting of Market Value Estimates*. On CMR903, report the number of lines that you report by this method.

If you choose this method, you must report all positions of Optional Commitments to Originate Mortgages, discussed below, as part of the 16 positions on CMR801 through CMR880.

Contract Code

Identify all OBS contract positions by a contract code. We provide a list of codes for each type of contract in Appendices B and D. The first two digits of the four-digit contract codes designate the general type of contract. For example, all codes for optional commitments to originate mortgages begin with the digits 10. The last two digits of the code designate the specific type of OBS contract within the general type. For example, we designate optional commitments to originate 30-year fixed-rate mortgages by the code 1014.

Reporting Instructions

We provide instructions below for each of the ten general types of financial derivatives and OBS contracts. Each section begins by defining the contracts covered in that section. We also provide guidance on how to combine or aggregate contracts for reporting purposes. We specify what to report in each of the five columns, CMR801 through CMR880, and provide examples.

Report all rates as a percent to two decimal places. For example, to report a coupon rate of 7.5 percent, report 7.50. Report all prices as a percentage of par to two decimal places. For example, to report a price of 102 percent of par, report 102.00. Report a price of par as 100.00.

Optional Commitments to Originate Mortgages

An optional commitment to originate a mortgage is an obligation to originate a mortgage loan at a specified interest rate, fixed or adjustable, where the potential borrower faces no substantial penalty for failing to take the loan. Report only those optional commitments to originate where you have in effect or have offered a specified interest rate, a rate lock, that is currently subject to the borrower's acceptance.

Commitments to originate are firm when both the borrower and the lender are obligated to close the loan at the interest rate specified. We provide instructions for reporting firm commitments below.

Aggregation

Report all commitments having the same contract code as a single position. See Appendix B for codes. For example, report all commitments on one-month COFI ARMs (code 1002) as a single position, report all commitments on six-month and one-year COFI ARMs (code 1004) as a single position, and so forth.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the dollar amount of commitments outstanding in Column 2. For rate locked loans that have yet to receive credit approval, deduct an amount representing expected credit denials. Do not adjust the reported amount for fallout of approved loans.

Column 3: Maturity or Fees

Report in Column 3 the dollar amount in thousands of loan origination and loan discount fees that you would collect if each loan closed. These fees should include compensation for buy-ups or buy-downs. Do not include any other fees collected in the loan origination process, such as application, appraisal, credit, and title fees.

Column 4: Price/Rate #1

Report in Column 4 the WAC of outstanding commitments. Refer to the calculation of the WAC in the general instructions to Schedule CMR.

Column 5: Price/Rate #2 (Optional)

Reporting this information is optional. Report in Column 5 the percentage of optional commitments, by dollar balances, outstanding as of the end of the previous quarter that closed during the quarter.

Example: You report $120 million of optional commitments on 30-year, fixed-rate mortgages as of June 30. Of the $100 million of optional commitments that you reported in the previous quarter's report, the report for the quarter ending March 31, $75 million closed during the quarter. You would report 75.00 [equal to ($75 million/$100 million) x 100] in Column 5 for the quarter ending June 30.

We intend to use this information to develop fallout rate estimates for savings associations that report this data. The OTS Model uses these estimates to estimate the interest rate sensitivity of your mortgage pipelines.

If you choose not to report this information, you should leave this cell blank. The OTS Model will use national fallout rate estimates to estimate the market value of your mortgage pipelines.

Examples:

Position 1: You have $25 million of optional commitments to originate 30-year fixed-rate mortgages. The WAC for these commitments is 8.67 percent. You would collect loan origination and loan discount fees of $560,000 if all the loans in this position closed. Sixty-five percent of the optional commitments outstanding at the end of the prior quarter closed.

Position 2: You have $5 million and $10 million of optional commitments to originate six-month and one-year COFI ARMs, respectively. Combine these positions for reporting purposes because you report them under the same contract code. The respective WACs on these commitments are 7.10 percent and 7.40 percent, and loan origination and loan discount fees you will collect total $420,000. You choose not to report in column 5.

You would report these positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	1014	25 000	560	8.67	65.00
Position 2	1004	15 000	420	7.30	

Firm Commitments to Purchase, Sell, or Originate Mortgages

Firm commitments to purchase or sell mortgages are agreements to purchase or sell mortgage loans, MBS, or mortgage derivative products at a specified price on a specified date. Firm commitments to originate mortgages are binding obligations to provide a specified amount of a mortgage loan at a specified interest rate, fixed or adjustable. You should consider commitments to originate mortgages firm only if the borrower is obligated to pay you a substantial penalty if the borrower fails to take the loan. The penalty should approximate the difference between the value of the loan at the commitment rate and the value of the same loan at the subsequent lower mortgage rate.

Aggregation

Report all commitments having the same contract code as a single position. See Appendix B for codes. For example, report all firm commitments to purchase one-month COFI ARM loans on a servicing retained basis as a single position (code 2002), report all firm commitments to sell six-month or one-year Treasury ARM MBS as a single position (code 2066), and so forth.

Report commitments to purchase or sell mortgage loans and commitments to purchase or sell MBS separately because the contract codes are different.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the dollar amount of commitments outstanding in Column 2.

Column 3: Maturity or Fees

Report in Column 3 the dollar amount (in thousands) of fees, if any, associated with the position. Report fees you will pay as a negative value.

For commitments to originate mortgages include loan origination and loan discount fees that you would collect if each loan closed. These fees should include compensation for buy-ups or buy-downs, but not other fees collected in the loan origination process, such as application, appraisal, credit, and title fees.

For **commitments to purchase or sell mortgages**, report any additional fees, net of costs.

Column 4: Price/Rate #1

Report in Column 4 the weighted-average interest rate specified in the commitments. Refer to the calculation of the WAC in the general instructions to Schedule CMR. Leave this column blank for commitments to purchase or sell mortgage derivative products.

Column 5: Price/Rate #2

Report in Column 5 the weighted-average price as a percentage of par, to two decimal places, that you will pay or receive on the commitments. For commitments to originate mortgages, report a price of par – for instance, 100.00. Leave this column blank for commitments to purchase or sell mortgage derivative products.

Examples:

Position 1: You have a mandatory delivery commitment with FNMA to sell, on a servicing retained basis, $25 million of one-year Treasury ARM loans with a required net yield of 7.5 percent at par. The required net yields for mandatory forward sales quoted by FNMA and FHLMC are net of the servicing fee. The contract code assigned to these commitments is 2026. You would use the code 2126 if the commitment to sell included the servicing of the loan.

Position 2: You have a commitment to purchase $15 million three-year Treasury ARM MBS with a pass-through rate of 7.70 percent at par. You also have a commitment to purchase $5 million five-year Treasury ARM MBS with a pass-through rate of 8.00 percent for 98.00, percent of par. You should combine these positions and report them as a single position because they have the same contract code.

Report the positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	2026	25 000	0	7.50	100.00
Position 2	2048	20 000	0	7.78	99.50

Optional Commitments to Purchase or Sell Mortgages or MBS

Optional commitments to purchase mortgages or MBS are contracts that grant the buyer of the option the right, but not the obligation, to buy a specified type and amount of mortgages or MBS, with a specified WAC for mortgages or pass-through rate for MBS, at a specified price, called the strike price, on a specified date, called the expiration date.

You can hold either a long position in an optional commitment to purchase or sell, having bought the option, or hold a short position in an optional commitment to purchase or sell, having sold the option. A savings association can have any of four types of positions listed below in an optional commitment on mortgages or MBS:

1. Long the option to purchase the mortgages or MBS.
2. Long the option to sell the mortgages or MBS.
3. Short the option to purchase the mortgages or MBS.
4. Short the option to sell the mortgages or MBS.

If the contract does not specify both a price and a pass-through rate, you should not report it on Schedule CMR. For example, FNMA issues optional delivery commitments where it does not specify the required net yield. You should not report such commitments on Schedule CMR.

Aggregation

Report each optional commitment to purchase or sell mortgages or MBS as a single position.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the notional principal amount of the commitment in Column 2.

Column 3: Maturity or Fees

Report the number of days until the commitment expires in Column 3.

Column 4: Price/Rate #1

Report the coupon rate or the pass-through rate in Column 4.

Column 5: Price/Rate #2

Report the strike price as a percentage of par in Column 5.

Examples:

Position 1: You have purchased an optional commitment to sell $10 million of five-year balloon mortgages with a coupon of seven percent at a price of 98.00, percent of par. The commitment expires in 45 days.

Position 2: You have sold an optional commitment to purchase $25 million of 8.5 percent coupon 15-year fixed-rate mortgages for par in 20 days.

Report the positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	3030	10 000	45	7.00	98.00
Position 2	3052	25 000	20	8.50	100.00

Commitments to Purchase or Sell Nonmortgage Financial Assets and Liabilities

Commitments to purchase or sell nonmortgage financial assets and liabilities are agreements to purchase or sell financial assets and liabilities other than mortgages or MBS, for a specified fixed price, on a specified date. You should report commitments to purchase or sell mortgages or MBS according to the instructions for those commitments above.

You should **not** report repurchase and resell agreements as OBS contracts. You should report such agreements as the underlying on-balance-sheet asset or liability that they represent. Report on CMR461 or CMR476 through CMR478, and CMR675 through CMR715, respectively.

Aggregation

Report commitments to purchase or sell nonmortgage financial assets and liabilities that you can combine under the same contract code as a single position. See Appendix B for codes. For example, report all commitments to purchase nonmortgage financial assets (code 4002) as a single position, report all commitments to sell core deposits (code 4024) as a single position, and so forth.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the dollar amount of the commitments outstanding in Column 2.

Column 3: Maturity or Fees

If the position consists of commitments on nonmortgage financial assets, report the weighted-average maturity (WAM) of the assets in months in Column 3. If the position consists of commitments on core deposits, leave Column 3 blank. If the position consists of commitments on other liabilities, report the WAM in months in Column 3. Refer to the calculation of the WARM in the general instructions to Schedule CMR.

Column 4: Price/Rate #1

If the position consists of commitments on nonmortgage financial assets, report the WAC of the assets in Column 4. If the position consists of commitments on either core deposits or other liabilities, report the weighted-average interest rate paid on the liabilities in Column 4. Refer to the calculation of the WAC in the general instructions to Schedule CMR.

Column 5: Price/Rate #2

Report in Column 5 the weighted-average price as a percentage of par you will receive on the instruments underlying the commitment. Refer to the calculation of the WAC in the general instructions to Schedule CMR.

Examples:

Position 1: You have agreed to sell $500,000 of ten-year Treasury securities with a WAC of 9.23 percent at a weighted-average price of 95.39, percent of par.

Positions 2 and 3: You have agreed to sell four branches and the liabilities maintained at those branches. The branches contain $16 million in core deposits that pay a weighted-average rate of 6.4 percent, and $44 million in other liabilities that pay a WAC of 7.5 percent and have a WARM of 26 months. The agreed upon premium is 2 percent, net of any assets that will change hands in this transaction. The seller pays $58.8 million, or 98 percent of par, to the buyer for assuming $60 million of liabilities.

Report the positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	4022	500	120	9.23	95.39
Position 2	4024	16 000		6.40	98.00
Position 3	4026	44 000	26	7.50	98.00

Interest-Rate Swaps

Interest-rate swaps are agreements to exchange streams of coupon payments based on a notional principal amount. One or both of the coupon payment streams varies with a specified interest rate index.

Aggregation

Report each swap as a separate position.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the notional principal amount of the swap in Column 2.

Column 3: Maturity or Fees

Report maturity information for both current and forward swaps in Column 3 using the same format. First, report the effective date of the swap, the date that interest for the first payment of the swap agreement begins to accrue, in YYMM format. Second, report the maturity date, the date of the last payment of the swap agreement, also in YYMM format.

For example, for a current swap effective February 21, 1991, and maturing February 21, 2002, report 91020202 in Column 3. For a forward swap effective February 21, 2000, and maturing February 21, 2010, report 00021002 in Column 3.

For a mortgage swap, report the maturity date of the underlying pool of mortgages, not the date the agreement terminates.

Column 4: Price/Rate #1

For fixed-for-floating swaps, report in Column 4 the fixed rate that you either receive or pay.

For basis swaps, report in Column 4 the margin added to, or subtracted from, the index being received as a positive or negative number, respectively. For basis swaps, report in Column 4 the margin. If there is no margin leave Column 4 blank.

For mortgage swaps, report in Column 4 the mortgage coupon rate or the pass-through rate that you either receive or pay.

Column 5: Price/Rate #2

For fixed-for-floating swaps, report in Column 5 the margin added to or subtracted from the index as a positive or negative number, respectively. If there is no margin, leave Column 5 blank.

For basis swaps, report in Column 5 the margin added to or subtracted from the index being paid as a positive or negative number, respectively. If there is no margin, leave Column 5 blank.

For mortgage swaps, in Column 5 report the margin as a positive number if it is added to the index that you receive. Report the margin as a negative number if it is added to the index that you pay.

Examples:

Position 1: You pay a fixed rate of 9.20 percent and receive three-month LIBOR on a $25 million swap that went into effect in March 1990 and expires in March 2002.

Position 2: You will pay a fixed rate of 9.00 percent and receive six-month LIBOR on a $10 million forward **swap** that begins in December 1994 and ends in December 2003.

Position 3: You purchased a $25 million swaption that would begin, if exercised, in June 1993 and mature in June 2004. The swaption grants the right to pay a fixed rate of 9.5 percent and receive three-month LIBOR.

Position 4: You pay one-month LIBOR and receive COFI on a $15 million swap that went into effect in December 1993 and expires in June 2005.

Position 5: You pay one-month LIBOR plus 0.30 percent and receive a mortgage coupon of 10 percent under a mortgage swap that went into effect September 1990. The notional principal amount of the swap is $8,235,000 as of the report date. The underlying pool of mortgages matures in September 2015.

You would report the positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	5004	25 000	90030203	9.20	
Position 2	5006	10 000	94120312	9.00	
Position 3	5104	25 000	93060406	9.50	
Position 4	5062	15 000	93120506		
Position 5	5072	8 235	90091509	10.00	0.30

Interest-Rate Caps

An interest-rate cap is an option contract that compensates the holder of the cap when a specified interest-rate index increases above a specified rate (called the cap rate or strike rate). The party that has purchased the cap is long the cap; while the party that has sold the cap is short the cap.

An interest-rate corridor is an agreement that combines a short position in an interest-rate cap and a long position in an interest-rate cap. To report corridors, report the two component cap positions separately.

An interest-rate collar is an agreement that combines an interest-rate cap position and an interest-rate floor position. To report collars, report the component cap and floor positions separately. The instructions for reporting interest-rate floors, as well as an example of reporting a collar, are below.

Aggregation

Report each interest-rate cap as a separate position.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the notional principal amount of the cap in Column 2.

Column 3: Maturity or Fees

Report maturity information for both current and forward caps in Column 3 using the same format. First, report the effective date of the cap (the first exercise date of the cap) in YYMM format. Second, report the maturity date (the month of the last payment date of the cap), also in YYMM format.

For example, for a cap with its first exercise date on February 21, 1991, and with its last payment date on February 21, 2001, report 91020102 in Column 3. For a forward cap with first exercise date on February 21, 2000, and last payment date on February 21, 2010, report 00021002 in Column 3.

Column 4: Price/Rate #1

Report the cap rate, or strike rate, in Column 4.

Column 5: Price/Rate #2

Leave Column 5 blank.

Examples:

Position 1: You are long a $10 million cap based on six-month LIBOR with a cap rate of 8.25 percent. The first exercise date was in November 1993, and it expires in November 1998.

Position 2: You are long a $25 million forward cap based on COFI with a cap rate of 8.5 percent. The cap's first exercise date will be in February 1995, and it expires in February 1999.

You would report the positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	6006	10 000	93119811	8.25	
Position 2	6020	25 000	95029902	8.50	

Interest-Rate Floors

An interest-rate floor is an option contract that compensates the holder of the floor when a specified interest-rate index decreases below a specified rate – called the floor rate or strike rate. The party that purchased the floor is long the floor, while the party that sold the floor is short the floor.

Interest-rate collars are agreements that combine interest-rate floor and interest-rate cap positions. The instructions for reporting interest-rate caps are above. To report collars, report the component cap and floor positions separately. For an illustration, see the second example below.

Aggregation

Report each interest-rate floor as a separate position.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the notional principal amount of the floor in Column 2.

Column 3: Maturity or Fees

Report maturity information for both current and forward floors in Column 3 using the same format. First, report the effective date of the floor (the first exercise date of the floor) in YYMM format. Second, report the maturity date (the month of the last payment date of the floor), also in YYMM format.

For example, for a floor with its first exercise date on February 21, 1991, and with its last payment date on February 21, 2001, report 91020102 in Column 3. For a forward floor with first exercise date on February 21, 2000, and last payment date on February 21, 2010, report 00021002 in column 3.

Column 4: Price/Rate #1

Report the floor rate, or strike rate, in Column 4.

Column 5: Price/Rate #2

Leave Column 5 blank.

Examples:

Position 1: You are short (sold) a $10 million floor based on the three-month Treasury rate with a floor rate of 6 percent. The first exercise date was in October 1993 and it expires in October 1998.

Positions 2 and 3: You entered into a $25 million interest-rate collar where you are long a three-month LIBOR cap at a strike rate of 8 percent and short a three-month LIBOR floor at a strike rate of five percent. The first exercise date was in September 1989 and it expires in September 1999. Report the cap and floor components of the collar separately in positions 2 and 3 below.

You would report the positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	7038	10 000	93109810	6.00	
Position 2	6004	25 000	89099909	8.00	
Position 3	7034	25 000	89099909	5.00	

Futures

A futures contract is an agreement to buy or sell a specified commodity or financial instrument for a specified price on a specified date. The party that agrees to purchase the instrument is long the futures contract and the party that agrees to sell the instrument is short the contract.

Futures are exchange-traded contracts. You should not report forward contracts, traded over-the-counter, as futures. Instead, you should estimate the market value of the forward contracts in the seven interest rate scenarios described in the section *Reporting of Market Value Estimates*. Report on CMR912 through CMR918, Market Value Estimates of Off-Balance-Sheet Contracts.

Aggregation

Report futures positions with the same contract code and same delivery date as a single position. See Appendix B for codes. For example, report short positions in Eurodollar futures (code 8046) deliverable in March separately from those with a June delivery date.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the notional principal amount of the futures position in Column 2.

Column 3: Maturity or Fees

Report the delivery date for the futures position in Column 3 in YYMM format.

Column 4: Price/Rate #1

Leave Column 4 blank.

Column 5: Price/Rate #2

Leave Column 5 blank.

***Example*:**

You have the following short futures positions:

1. Eurodollar futures contracts – $1 million notional principal per contract, expiring in March 1996.
2. Eurodollar futures contracts expiring in June 1996.
3. Three-month Treasury bill contracts – $1 million notional principal per contract, expiring in March 1996.

You would report the positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	8046	10 000	9603		
Position 2	8046	15 000	9606		
Position 3	8034	12 000	9603		

Options on Futures

A call option on a futures contract is a contract that grants the buyer of the option the right, but not the obligation, to acquire a long position in a futures contract at a specified price, the strike price, on a specified date, the expiration date.

A put option on a futures contract is a contract that grants the buyer the right, but not the obligation, to acquire a short position in a futures contract at a specified price on a specified date.

You can hold either a long position in a call option or a put option, having bought the option, or a short position in a call option or a put option, having sold the option. Therefore, you can have any of four positions in an option on a futures contract:

1. Long a call option.
2. Long a put option.
3. Short a call option.
4. Short a put option.

Aggregation

Report as a single position all options on futures contracts with the same contract code, strike price, and expiration date. You must report options on futures positions separately if they have different expiration dates.

Column 1: Contract Code

Report the contract code for the position in Column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report the notional principal amount of the option position in Column 2.

Column 3: Maturity or Fees

Report the expiration date of the option position in Column 3 in YYMM format.

Column 4: Price/Rate #1

Report the strike price of the option position in Column 4.

Column 5: Price/Rate #2

Leave Column 5 blank.

Examples:

Positions 1 and 2: You are long 10 put options on Eurodollar futures, $1 million notional principal value per option contract, at a strike price of 93.00 expiring in March 1995 and 15 put options on Eurodollar futures contracts, also at a strike price of 93.00, expiring in June 1995.

Position 3: You are short 50 call options on Treasury bond futures contracts, $100,000 notional principal value per contract, at a strike price of 102.00 expiring in March 1996.

You would report the positions as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	9040	10 000	9503	93.00	
Position 2	9040	15 000	9506	93.00	
Position 3	9060	5 000	9603	102.00	

Construction Loans-in-Process (LIP)

Construction LIP includes the portion of construction loans that you have closed but have not yet disbursed the proceeds. The funded portion of construction loans is included in the relevant on-balance-sheet asset section.

Report construction LIP where you have not specified an interest rate. Include fixed-rate loans and all adjustable-rate loans that reprice less often than monthly. You should not report agreements where you determine the rate at the time when you disburse the funds.

If the agreement contains a commitment to provide a mortgage loan upon completion of the construction, report the mortgage commitment as an optional or firm, as appropriate, commitment to originate a mortgage in the corresponding sections above.

Aggregation

Report fixed-rate construction LIP separately from adjustable-rate construction LIP.

Column 1: Contract Code

Enter the contract code for the position in column 1. Refer to Appendix B for the list of codes.

Column 2: Notional Amount

Report in Column 2 the amount of undisbursed funds, that portion of the commitments that have not been drawn down.

Column 3: Maturity or Fees

For fixed-rate loans, report an estimate of the weighted-average term to maturity, in months. The term to maturity for each loan should represent the time until you expect repayment of the principal. Therefore, it will include an estimate of the time until you disburse the funds plus the expected term of the loan. For example, construction LIP that consists of a one-year loan where you expect to disburse the funds in three months would have a term to maturity of 15 months.

For adjustable-rate loans use the number of months until the first scheduled repricing to calculate the WARM.

Column 4: Price/Rate #1

Report the weighted-average interest rate on the loans in Column 4. Refer to the calculation of the WAC in the general instructions to Schedule CMR.

Column 5: Price/Rate #2

Leave Column 5 blank.

Example:

You have two fixed-rate construction loan commitments outstanding. On the first commitment, a $1 million loan with a one-year term that you expect to disburse in approximately four months, for a term to maturity of 16 months, at an interest rate of 10 percent. On the second, a $2 million loan with an 18-month term you expect to disburse in approximately two months, for a term to maturity of 20 months, at an interest rate of 11 percent.

You would report the position as follows:

	[1] Contract Code	[2] Notional Amount	[3] Maturity or Fees	[4] Price/Rate #1	[5] Price/Rate #2
Position 1	9502	3 000	19	10.67	

SUPPLEMENTAL REPORTING FOR ASSETS AND LIABILITIES

INTRODUCTION

This section allows you to report selected assets and liabilities at a more disaggregate level than you report in the Assets and Liabilities sections of Schedule CMR. For example, if you have adjustable-rate second mortgage loans tied to different indices, you may report the balances tied to each rate index separately. We will derive the interest rate risk exposure estimates using this detailed information instead of the more aggregated data reported for those assets in the other sections. This results in more accurate market value estimates for the instruments on the supplemental form.

Supplemental reporting is available for the following:

Assets (Optional Reporting)

1. Certain types of loans.
2. Mortgage-related mutual funds.
3. Other investment securities of the types on CMR473 and CMR479.

Liabilities (Required Reporting)

1. VRFM liabilities.

Supplemental reporting is also available for OBS positions, as described below.

Each line on the supplemental reporting form for assets and liabilities consists of a balance with a given asset or liability code, a rate index code, and information describing those balances – margin, coupon, remaining maturity, etc. Number all lines used to report supplemental information sequentially, with the first line on the form receiving the number 1 in the column titled *Entry #.* We describe all other entries in detail below. If there are insufficient lines on the Supplemental Reporting page to report the different combinations of instrument and index codes, use as many continuation pages as necessary.

SUPPLEMENTAL REPORTING FOR ASSETS (OPTIONAL)

You may report three broad classes of assets on the Supplemental Reporting form:

1. The following types of loans:
   a. Adjustable- and fixed-rate multifamily and nonresidential mortgage loans and securities.
   b. Adjustable-rate construction and land loans.
   c. Adjustable-rate second mortgages.
   d. Adjustable-rate commercial loans.
   e. Adjustable- and fixed-rate consumer loans.
2. Investments in mortgage-related mutual funds.
3. Investments in securities of the types on CMR479, Municipal securities, mortgage-backed bonds, corporate securities, commercial paper.

Besides a column for the entry number, there are nine input columns on the Supplemental Reporting form. You will not always use all nine columns, depending on the asset. Below we describe the reporting for each column for each of the three classes of assets.

Loans

Column 1: Asset Code

Loans where OTS permits supplemental reporting are in Appendix C by Schedule CMR cell number. For each CMR cell number, you may use one or more codes to represent types of loans in that cell. For example, CMR335 and CMR336, Adjustable-rate and Fixed-rate Consumer Loans, respectively, may each be disaggregated into seven asset codes that correspond to different types of consumer loans. For example, you can report auto loans by entering asset code 183 in column 1 of the first line; education loans by entering asset code 182 on the next line; etc. Other CMR cell numbers – construction and land loans, second mortgages, and commercial loans – have only one code each. For those assets, balances cannot be disaggregated further by loan type, only by index code. See the description of column 2 below.

Column 2: Rate Index Code

From the list of Interest Rate Index Codes in Appendix A, report the code representing the index the reported loan uses. For example, you could report adjustable-rate auto loans tied to the prime rate with an asset code of 183 in column 1 and an index code of 830 in column 2. You could report auto loans tied to the one-year Treasury rate on a separate line with an asset code of 183 and an index code of 312.

Column 3: Balance

Report the outstanding balance of the loan in column 3.

Balances reported for asset codes within a given CMR cell number must sum to the balance reported in that cell in the Assets sections of Schedule CMR. For example, balances on the Supplemental Reporting form with asset codes 180 through 189, various types of consumer loans, and index codes designating adjustable-rate loans, must sum to the balance reported for total adjustable-rate consumer loans on CMR335. Likewise, the balances with asset codes 180 through 189 and an index code designating fixed-rate loans, must sum to CMR336, total fixed-rate consumer loans.

Column 4: Margin/WAC

If the entry represents an adjustable-rate loan, report the weighted-average margin, in basis points, in column 4. If it is a fixed-rate loan, report the WAC, in basis points, in column 4. Note that this differs from treatment in the Assets section of Schedule CMR, where the WAC is in percentage points. Report the net margin or the pass-through rate for adjustable-rate and fixed-rate securities, respectively. We describe how to calculate the weighted-average margin and the WAC in the general instructions to Schedule CMR.

Column 5: Rate Reset Frequency

If the loan is adjustable-rate, report the weighted-average frequency where the coupon rate resets, in months, in column 5. You should calculate the weighted-average frequency of the coupon reset in the same manner as the WARM, as described in the general instructions to Schedule CMR. However, instead of months to maturity, use months between coupon reset dates. If the loan is fixed-rate, leave column 5 blank.

Column 6: Months to Full Amortization

Leave this column blank for all assets except multifamily and nonresidential balloon mortgage loans and securities – asset codes 100, 105, 106, 107, 108, and 109. For those assets, report the weighted-average number of months remaining until the balloon mortgage would fully amortize. Calculate this item in the same manner as described for WARM, in the general instructions to Schedule CMR. However, instead of months to maturity, use months to full amortization.

Column 7: Remaining Maturity

Report the WARM, in months, in column 7. Calculate the WARM as described in the general instructions to Schedule CMR. For balloon mortgages, use the number of months until payment of the balloon.

Column 8: Distance to Lifetime Cap

Use this column only for adjustable-rate multifamily and nonresidential mortgage loans and securities, asset codes 100 through 119. For all other types of loans, leave it blank.

For each asset code, calculate the difference between the WAC and the weighted-average lifetime cap for the loans or securities in that category. Report the result in column 8, in basis points. For example, for a WAC of 10 percent and a cap of 12 percent, report a value of 200 basis points. Calculate the WAC as described in the general instructions to Schedule CMR. Calculate the weighted-average lifetime cap the same way. For loans and securities that have no lifetime caps, report 9999 in this column.

Column 9: Distance to Lifetime Floor

Use this column only for adjustable-rate multifamily and nonresidential mortgage loans and securities, asset codes 100 through 119. For all other types of loans, leave it blank.

For each asset code, calculate the difference between the current WAC and the weighted-average lifetime floor for the loans in that category. Report the result in column 9, in basis points. For example, for a WAC of 10 percent and a floor of 8 percent, report a value of 200 basis points. For loans and securities that have no lifetime floor, report 9999 in this column.

Mortgage-Related Mutual Funds

Mortgage-related mutual funds are those with any investments in mortgage pools, mortgage securities, mortgage-derivative securities, mortgage servicing rights, or other mortgage-related instruments. Besides reporting investments in such mortgage-related mutual funds on CMR584, you may report more detail about the asset holdings of such funds using the method described below.

Reporting this additional information improves the accuracy of the interest rate risk estimate that OTS produces. The OTS Model conservatively assumes that the market value of mortgage-related mutual funds on CMR584 consists entirely of fixed-rate MBS. If you provide information about the composition of mutual fund assets under this optional reporting method, the model will use assumptions that better reflect the true interest rate sensitivity of those mutual funds.

To report optional information about the composition of mortgage-related mutual funds you should do the following:

1. Determine your pro rata share of the current market value, net asset value, of each mutual fund where you have investments.
2. Distribute the market value of your share of each mutual fund into the asset categories shown in Appendix C in the section that applies to CMR584. Besides the entry number column, you report information in two columns: Asset Code and Balance.

Column 1: Asset Code

Asset codes that you may use to report supplemental information about mortgage-related mutual funds are in Appendix C in the section that applies to CMR584. Report those asset categories that reflect your mutual funds' investments.

Column 3: Balance

Report your pro rata share of the current market value of each reported asset category. The total market value of all mortgage-related mutual fund asset categories on the Supplemental Reporting form must equal the amount on CMR584.

Example: You have invested in a single mortgage-related mutual fund. The fund's net asset value as of the reporting date is $100 million and your shares in the fund are worth $1 million. The mutual fund's asset portfolio consists of $50 million in fixed-rate MBS, $45 million in adjustable-rate MBS, and $5 million in Treasury securities. You would report its pro rata share in these three types of assets in the following manner on the Supplemental Reporting for Assets and Liabilities section of Schedule CMR:

[1] Asset Code	[2] Rate Index Code	[3] Balance $000	[4]	[5]	[6]	[7]	[8]	[9]
160		500	Columns [4] through [9] should be left blank					
162		450						
179		50						

Note that the entries sum to the $1 million you reported on CMR584.

Other Investment Securities

You can provide additional information about securities on CMR473 and CMR479. You may distinguish three different types of instruments – fixed coupon, floating-rate, and inverse floating-rate securities – using the codes listed in the appropriate sections of Appendix C.

Column 1: Asset Code

Asset codes for reporting supplemental information are in Appendix C. For CMR473, Government and Agency Securities including SBA securities, applicable asset codes are 300 through 304. For CMR479, Other Securities – Munis, Mortgage-Backed Bonds, Corporate Securities, Commercial Paper, Etc. – applicable codes are 120 through 124.

Column 2: Rate Index Code

From the list of Interest Rate Index Codes in Appendix A, report the code representing the index the security uses. Use code 900 if the security has a fixed coupon.

Column 3: Balance

For each type of security, report the outstanding balance of all securities of that type on CMR473 or CMR479. The total outstanding balance on the Supplemental Reporting section with asset codes 300 through 304 must equal the amount on CMR473. In addition, the total balance with asset codes 120 through 124 must equal the amount on CMR479.

Column 4: Margin/WAC

If the entry represents a floating-rate security, report the margin, **in basis points**, in column 4. If the security is a fixed-coupon security, report the coupon, **in basis points**, in column 4. Note that this differs from treatment in the Assets section of Schedule CMR, where the coupon is in percentage points.

Column 5: Rate Reset Frequency

If the balance reported in column 3 is floating-rate or inverse floating-rate, report the frequency that the coupon rate resets, in months, in column 5. If the balance reported in column 3 is fixed-coupon, leave column 5 blank.

Column 6:

Leave this column blank.

Column 7: Remaining Maturity

Report the remaining maturity, in months, in column 7.

Column 8:

Use this column only for reporting the benchmark rate (in basis points) of inverse floating-rate securities. For example, if you derive the coupon of such a security using the formula 17.5 minus six-month LIBOR, the benchmark rate is 17.5, and you should report it as 1750 basis points in column 8. For all other types of securities, leave this column blank.

Column 9:

Leave this column blank.

SUPPLEMENTAL REPORTING FOR LIABILITIES (REQUIRED)

Report variable-rate, fixed-maturity liabilities in the section, **Supplemental Reporting for Assets and Liabilities**.

Include liabilities of the following types that have contractually stated maturities and indexed rates:

1. Certificates of deposit.
2. FHLB advances.
3. Commercial bank loans.
4. Repurchase agreements.
5. Retail repurchase agreements.
6. Commercial paper issued.
7. Subordinated debt.
8. Redeemable preferred stock.
9. All other borrowings.

Do not include:

1. Mortgage collateralized securities. Report on Supplemental Reporting of Market Value Estimates.
2. Structured borrowings. Report on Supplemental Reporting of Market Value Estimates.

General Instructions:

Report information about your VRFM liabilities as follows:

Assign liability and index codes to each VRFM liability that you issue, using the lists of codes in Appendix D and Appendix A, respectively. For example, each variable-rate FHLB advance indexed to the Fed Funds rate would have the liability code 220, the code for FHLB advances, and the index code 800 (the code that shows that the interest rate on the advances uses the Fed Funds rate as an index). Report each VRFM liability you issue using either one of two ways:

A. **Individually –** This option produces a very accurate valuation, but it might require the reporting of a large amount of data.

B. **Aggregated with similar liabilities** – This option produces somewhat less accurate valuations, but it requires the reporting of a smaller amount of data.

1. If you choose the individual option, supply the required information – liability code, index code, balance, margin, rate reset frequency, months to reset, and remaining maturity – for each VRFM liability issued that you report individually. For example, you would report each FHLB advance described in the example above individually.
2. If you choose the aggregated option, report VRFM liabilities on the Supplemental Reporting Form aggregated by liability and index code. Thus, you would report all VRFM liabilities that have the same liability and index code aggregated as a single position. For example, you would report all FHLB advances described in the preceding example together as a single position regardless of differences in margin, rate reset frequency, months to next reset, or remaining maturity.

Entry Number

Number all lines used to report supplemental information, starting with the number 1.

Column 1: Liability Code

The liability code is a three-digit code that denotes the type of liability reported. The codes are included in Appendix D – **List of Codes Used for Supplemental Reporting**.

Column 2: Rate Index Code

The index code is a three-digit code that describes the index of the VRFM liability reported. The codes are in Appendix A, **List of Interest Rate Index Codes**.

Column 3: Balance

If you choose option A, report the outstanding balance of each individual VRFM liability. If you choose option B, report the total outstanding balance of that position. In either case, do not report the carrying values.

Column 4: Margin in Basis Points

The margin of a variable rate liability is the amount added to the index rate to derive the coupon rate. If you choose option A, report the margin, in basis points, of each **individual** VRFM liability.

If you choose option B, report the weighted-average margin for each **position**. See the general instructions to Schedule CMR.

Column 5: Rate Reset Frequency

If you choose option A, report the index rate reset frequency, in months, of each individual VRFM liability.

If you choose option B, calculate the weighted-average rate reset frequency for each position by multiplying the reset frequency of each liability expressed in months by the ratio of that liability's balance to the position's total balance. Calculate the weighted-average rate reset frequency for each position. See the general instructions to Schedule CMR.

Column 6: Months to Next Reset

If you choose option A, report the number of months until the next index rate reset for each individual VRFM liability.

If you choose option B, calculate the weighted-average months to next reset for each position. To do this, multiply the number of months until next reset for each liability by the ratio of that liability's balance to the position's total balance. Calculate the weighted-average months to next reset for each position. See the general instructions to Schedule CMR. Round the weighted-average months to next reset to the nearest month.

Column 7: Remaining Maturity

If you choose option A, report the remaining maturity, in months, of each individual VRFM liability.

If you choose option B, calculate the WARM for each position. To do this, multiply the remaining maturity of each liability expressed in months by the ratio of that liability's balance to the position's total balance. Calculate the weighted-average remaining term for each position. See the general instructions to Schedule CMR.

Column 8:

Leave this column blank for all VRFM liabilities.

Column 9:

Leave this column blank for all VRFM liabilities.

SUPPLEMENTAL REPORTING OF MARKET VALUE ESTIMATES

To calculate the market value of some of the assets, liabilities, and financial derivatives and OBS instruments that you hold, we need more information than is feasible to collect on Schedule CMR. This section of Schedule CMR collects your own estimates of the market values of certain instruments in each of the seven interest rate scenarios shown in the Interest Rate Risk Exposure Report that we produce each quarter. We combine the estimates you report with the market value estimates calculated by the OTS Model to evaluate your exposure to interest rate changes.

You **must** report market value estimates **if** you have the following types of financial instruments:

1. Financial derivatives and OBS contracts that you cannot identify by a contract code. For instance, CMO swaps.

2. Mortgage-derivative securities if you meet the criteria outlined below under **Market Value Estimates of Mortgage Derivative Securities**. If we do not require you to report market value estimates for your mortgage-derivative securities, you may do so at your option.

3. Complex securities. If you have complex securities, you must report market value estimates for those securities. Common types of complex securities include structured securities, such as step-up bonds, index-amortizing notes, dual index notes, de-leveraged bonds, range bonds, and inverse floaters.

4. Structured Borrowings.

Moreover, you have the option to report market value estimates for collateralized mortgage securities you issue.

If you report your own estimates for a given type of instrument, you should do so consistently across quarters. If you do not report market value estimates, you should leave the cells blank.

Reporting Guidelines

When estimating the market values for this section, you should use the same methodology you use in your TB 13a analyses. First, calculate the base case market value of each instrument in the current interest rate environment. Then calculate market value estimates in the six shocked interest rate scenarios – the plus and minus 100, 200, and 300 basis point shocks described in TB 13a – by assuming parallel shifts in the term structure of interest rates. In periods of low interest rates, it is possible that the simulation of the -300 interest rate scenario could result in negative interest rates. To avoid this possibility, you should set a floor of ten basis points for all interest rates when performing your own simulations.

Assumptions used in the calculations must be reasonable and consistent with the analysis you perform to satisfy TB 13a. Your prepayment assumptions should relate reasonably to market consensus in the current interest rate scenario. In the six shocked scenarios, prepayment assumptions should reflect changes likely to occur in prepayment rates under each interest rate shock. If you perform the valuation by estimating the present value of future cash flows, both the discount rates and expected future cash flows should reflect the current yield curve or that or similar instruments in the current rate scenario. In the shocked scenarios, discount rates and expected future cash flows should reflect likely changes that would occur under each shock.

To evaluate an institution's market value estimates, OTS examiners will, at a minimum, determine whether the institution:

1. Uses zero-coupon (spot) rates of the appropriate maturities to discount cash flows.
2. Uses implied forward interest rates to model variable rate cash flows.
3. Values embedded options using appropriate option valuation methodology, e.g., Black-Scholes type formulas, Monte-Carlo simulations, lattice methods, etc.

Examiners may determine an institution should use more sophisticated measurement techniques to address specific supervisory concerns (e.g., high volume and price sensitivity of a group of structured advances; the institution's results may materially misstate the level of risk; a combination of low Post-shock NPV Ratio and high Sensitivity Measure; etc.). In any case, the institution should be very familiar with the details of the assumptions, term structure, and logic used in performing the measurements. Measures obtained from either a third party or from an FHLB originating a structured FHLB advance may, therefore, not always be adequate.

Report the following type of instruments on the Supplemental Reporting of Market Value Estimates.

Market Value Estimates of Financial Derivatives and Off-Balance-Sheet Contracts

Report an estimate of the market value of financial derivatives and OBS contracts according to the instructions for either case 1 or case 2 below.

Case 1: You hold financial derivatives and OBS contract(s) that do not have contract codes listed in the instructions. In such instances, report market value estimates for those contracts, in each of the seven interest rate scenarios listed, using contract code 500, from Appendix D, on the *Supplemental Reporting of Market Value Estimates*.

Case 2: You have more than 16 financial derivatives and OBS contract positions and have chosen to provide your own market value estimates of the additional positions instead of reporting them in the section, *Supplemental Reporting for Financial Derivatives and OBS Positions*. See *Reporting More Than 16 OBS Positions* in the section *Off-Balance-Sheet Contracts*. In such instances, you must report the estimated aggregate market value of the additional positions in each of the seven interest rate scenarios listed on the *Supplemental Reporting of Market Value Estimates* using contract code 500 from Appendix D.

You may also include estimates of the market value of loan servicing rights other than single-family first mortgages; for instance, servicing of commercial real estate, second mortgages, home equity loans, auto loans, credit cards, etc.

Market Value Estimates of Mortgage Derivative Securities

Reporting Information: Certain savings associations must report the estimated aggregate market value of mortgage-derivative securities in each of the seven interest rate scenarios. This is in addition to the general requirement that savings associations report the recorded investment of these securities on CMR351 through CMR376 as described in *Mortgage-Derivative Securities* in the *Assets* section.

If you meet any of the three conditions below, you must report the estimated market values of your entire portfolio of mortgage-derivative securities:

1. Your assets exceed $500 million.

2. You acquired high-risk mortgage-derivative securities as described in *Mortgage-Derivative Securities*, in the *Assets* section after December 31, 1988.
3. The recorded investment of your portfolio of mortgage-derivatives exceeds five percent of your total assets.

If you meet any of these three conditions, you must report the market value of all CMOs, residuals, stripped MBS, and CMO swaps under the seven interest rate scenarios on the *Supplemental Reporting of Market Value Estimates* using asset code 123 found in Appendix D. In valuing floating-rate CMOs, on CMR351 and CMR352, you should use a methodology that accomplishes the following:

1. Values the cap and floor of the floater.
2. Discounts cash flows using the zero-coupon Treasury curve and a spread to the curve.

CEO Memo 55, dated April 30, 1996 contains a detailed description of a methodology that incorporates these two requirements. The memo is available on OTS's web site, www.ots.treas.gov.

If we do not require you to report estimated market values you may do so at your option, but you must include market values for all mortgage derivatives whose recorded investments you report on CMR351 through CMR376.

Use of Information: When calculating your Interest Rate Risk Report, the OTS Model will use market value estimates of mortgage derivatives if you report them. If you have such derivatives but do not report market value estimates, the OTS Model will estimate market values using values of similar instruments as proxies.

Market Value Estimates of Complex Securities

Reporting Information: If you report any complex securities you must report the estimated aggregate market value of those securities in each of the seven interest rate scenarios using contract code 121 from Appendix D.

Use of Information: When producing your Interest Rate Risk Exposure Report, the OTS Model will include in NPV the market value estimates of these securities.-

Market Value Estimates of Structured Borrowings

For the purpose of these instructions, structured borrowings include borrowings and Federal Home Loan Bank (FHLB) advances with embedded options or derivative-like features where the advances' coupon, average life, or redemption value is dependent on a reference rate, an index, or a formula. Structured borrowings include, but they are not limited to, putable and callable advances, variable rate advances with embedded caps, floors, or collars, step-up variable rate advances and amortizing advances. See Appendix D, codes 280 through 290, for a detailed description of structured borrowings whose market value estimates are reported on Supplemental Reporting of Market Value Estimates.

Market Value Estimates of Collateralized Mortgage Securities Issued (Optional)

Reporting Information: Report only those collateralized mortgage securities issued that you do not record as sales in accordance with SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities.* Report information on collateralized mortgage securities issued in two places: one mandatory, the other optional:

1. Report the book value of CMOs and other collateralized mortgage securities issued on CMR785. Balances on CMR785 should not be on CMR678 through CMR706.
2. At your option, you may use code 210 to report your estimate of the value of the collateralized mortgage securities issued, in each of seven interest rate scenarios listed on the Supplemental Reporting of Market Value Estimates.

Reporting Guidelines

Report positions in the Supplemental Reporting of Market Value Estimates as follows:

Column 1: Entry Number
Number all lines used to report supplemental market value information, starting with the number 1.

Column 2: Position Code
The position code is a 3-digit code that denotes the type of instrument reported. The codes are included in Appendix D.

Column 3: Balance
Report the outstanding balance for each position whose market value estimates are reported in Column 3 through Column 9. Do not report the carrying values.

Column 4 through Column 10: Estimated Market Value After Specified Rate Shock
Report the estimate of the market value in each of the following interest rates scenarios: -300 basis points, -200bp, -100bp, No Change, +100bp, +200bp, +300bp, respectively.

SUPPLEMENTAL REPORTING FOR DERIVATIVES AND OFF-BALANCE-SHEET POSITIONS

In this section, you may report supplemental information about OBS contracts as described in *Reporting More Than 16 OBS Positions* in the section *Off-Balance-Sheet Contracts*. If you have more than 16 OBS positions, you may report those positions in the same manner that you reported the initial 16 positions on the continuation page *Supplemental Reporting for Financial Derivatives and OBS Positions*.

To report positions using supplemental pages, number the positions sequentially in the column *Entry #,* beginning with number 1 for the first position on the first supplemental page. The same instructions in the section *Off-Balance-Sheet Contracts* used to report the initial 16 positions apply. Use as many continuation pages as necessary to report the remaining positions.

APPENDIX A

LIST OF INTEREST RATE INDEX CODES

Code	Index
303	3-month Treasury security
306	6-month Treasury security
312	1-year Constant Maturity Treasury
324	2-year Constant Maturity Treasury
336	3-year Constant Maturity Treasury
360	5-year Constant Maturity Treasury
370	7-year Constant Maturity Treasury
380	10-year Constant Maturity Treasury
401	1-month London Interbank Offered Rate (LIBOR)
403	3-month London Interbank Offered Rate (LIBOR)
406	6-month London Interbank Offered Rate (LIBOR)
412	1-year London Interbank Offered Rate (LIBOR)
503	3-month FHLB advance rate
506	6-month FHLB advance rate
512	1-year FHLB advance rate
524	2-year FHLB advance rate
536	3-year FHLB advance rate
548	4-year FHLB advance rate
560	5-year FHLB advance rate
603	3-month fixed-rate CD rate
606	6-month fixed-rate CD rate
612	1-year fixed-rate CD rate
660	5-year fixed-rate CD rate
710	FHLMC/FNMA 30-year, fixed-rate mortgage commitment rate
720	National Average Contract Rate for the Purchase of Previously Occupied Homes
800	Federal funds rate
811	11th District FHLB Cost-of-Funds Index (COFI)
812	Lender’s own Cost-of-Funds
820	Federal Cost-of-Funds Index
830	Prime rate
900	Fixed-rate
910	Rate adjusted at lender’s discretion
911	Any other index

APPENDIX B

LIST OF CONTRACT CODES FOR OBS CONTRACTS

You should use the following list of codes to report OBS contracts.

Contract Codes for Optional Commitments to Originate Mortgages

1002	1-month COFI ARMs
1004	6-month or 1-year COFI ARMs
1006	6-month or 1-year Treasury or LIBOR ARMs
1008	3-year or 5-year Treasury ARMs
1010	5-year or 7-year Balloon or 2-step mortgages
1012	10-year, 15-year, or 20-year FRMs
1014	25-year or 30-year FRMs
1016	all other mortgages

Contract Codes for Firm Commitments to Purchase, Sell, or Originate Mortgages

Firm Commitments to Purchase or Sell Mortgage Loans, Servicing Retained

If the commitment is transacted on a servicing retained basis – the seller will continue to be responsible for servicing the loans following the sale – use the following contract codes. **Note** that typically commitments to purchase or sell mortgages, including mandatory forward sales are transacted on a servicing retained basis, not on a servicing released basis.

2002	purchase 1-month COFI ARM loans, servicing retained
2004	purchase 6-month or 1-year COFI ARM loans, servicing retained
2006	purchase 6-month or 1-year Treasury or LIBOR ARM loans, servicing retained
2008	purchase 3-year or 5-year Treasury ARM loans, servicing retained
2010	purchase 5-year or 7-year Balloon or 2-step mortgage loans, servicing retained
2012	purchase 10-year, 15-year, or 20-year FRM loans, servicing retained
2014	purchase 25-year or 30-year FRM loans, servicing retained
2016	purchase all other mortgage loans, servicing retained
2022	sell 1-month COFI ARM loans, servicing retained
2024	sell 6-month or 1-year COFI ARM loans, servicing retained
2026	sell 6-month or 1-year Treasury or LIBOR ARM loans, servicing retained
2028	sell 3-year or 5-year Treasury ARM loans, servicing retained
2030	sell 5-year or 7-year Balloon or 2-step mortgage loans, servicing retained
2032	sell 10-year, 15-year, or 20-year FRM loans, servicing retained
2034	sell 25-year or 30-year FRM loans, servicing retained
2036	sell all other mortgage loans, servicing retained

Firm Commitments to Purchase or Sell Mortgage Loans, Servicing Released

If the commitment is transacted on a servicing released basis – the purchaser will be responsible for servicing the loans – use the following contract codes:

2102	purchase 1-month COFI ARM loans, servicing released
2104	purchase 6-month or 1-year COFI ARM loans, servicing released
2106	purchase 6-month or 1-year Treasury or LIBOR ARM loans, servicing released
2108	purchase 3-year or 5-year Treasury ARM loans, servicing released
2110	purchase 5-year or 7-year Balloon or 2-Step mortgage loans, servicing released
2112	purchase 10-year, 15-year, or 20-year FRM loans, servicing released
2114	purchase 25-year or 30-year FRM loans, servicing released
2116	purchase all other mortgage loans, servicing released
2122	sell 1-month COFI ARM loans, servicing released
2124	sell 6-month or 1-year COFI ARM loans, servicing released
2126	sell 6-month or 1-year Treasury or LIBOR ARM loans, servicing released
2128	sell 3-year or 5-year Treasury ARM loans, servicing released
2130	sell 5-year or 7-year Balloon or 2-Step mortgage loans, servicing released
2132	sell 10-year, 15-year, or 20-year FRM loans, servicing released
2134	sell 25-year or 30-year FRM loans, servicing released
2136	sell all other mortgage loans, servicing released

Firm Commitments to Purchase or Sell MBS

2042	purchase 1-month COFI ARM MBS
2044	purchase 6-month or 1-year COFI ARM MBS
2046	purchase 6-month or 1-year Treasury or LIBOR ARM MBS
2048	purchase 3-year or 5-year Treasury ARM MBS
2050	purchase 5-year or 7-year Balloon or 2-step MBS
2052	purchase 10-year, 15-year, or 20-year FRM MBS
2054	purchase 25-year or 30-year FRM MBS
2056	purchase all other MBS
2062	sell 1-month COFI ARM MBS
2064	sell 6-month or 1-year COFI ARM MBS
2066	sell 6-month or 1-year Treasury or LIBOR ARM MBS
2068	sell 3-year or 5-year Treasury ARM MBS
2070	sell 5-year or 7-year Balloon or 2-step MBS
2072	sell 10-year, 15-year, or 20-year FRM MBS
2074	sell 25-year or 30-year FRM MBS
2076	sell all other MBS

Firm Commitments to Originate Mortgage Loans

2202	originate 1-month COFI ARM loans
2204	originate 6-month or 1-year COFI ARM loans
2206	originate 6-month or 1-year Treasury or LIBOR ARM loans
2208	originate 3-year or 5-year Treasury ARM loans
2210	originate 5-year or 7-year Balloon or 2-Step mortgage loans
2212	originate 10-year, 15-year, or 20-year FRM loans
2214	originate 25-year or 30-year FRM loans
2216	originate all other mortgage loans

Firm Commitments to Purchase or Sell Mortgage Derivative Products (MDPs)

2081	purchase low-risk floating-rate MDPs
2082	purchase low-risk fixed-rate MDPs
2083	sell low-risk floating-rate MDPs
2084	sell low-risk fixed-rate MDPs
2086	purchase high-risk MDPs
2088	sell high-risk MDPs

Contract Codes for Optional Commitments to Purchase or Sell Mortgages and MBS

Long Options to Purchase Mortgages and MBS (Long Calls)

3002	long the option to purchase 1-month COFI ARMs
3004	long the option to purchase 6-month or 1-year COFI ARMs
3006	long the option to purchase 6-month or 1-year Treasury or LIBOR ARMs
3008	long the option to purchase 3-year or 5-year Treasury ARMs
3010	long the option to purchase 5-year or 7-year Balloon or 2-step mortgages
3012	long the option to purchase 10-year, 15-year, or 20-year FRMs
3014	long the option to purchase 25-year or 30-year FRMs
3016	long the option to purchase all other mortgages

Long Options to Sell Mortgages and MBS (Long Puts)

3022	long the option to sell 1-month COFI ARMs
3024	long the option to sell 6-month or 1-year COFI ARMs
3026	long the option to sell 6-month or 1-year Treasury or LIBOR ARMs
3028	long the option to sell 3-year or 5-year Treasury ARMs
3030	long the option to sell 5-year or 7-year Balloon or 2-step mortgages
3032	long the option to sell 10-year, 15-year, or 20-year FRMs
3034	long the option to sell 25-year or 30-year FRMs
3036	long the option to sell all other mortgages

Short Options to Purchase Mortgages and MBS (Short Calls)

3042	short the option to purchase 1-month COFI ARMs
3044	short the option to purchase 6-month or 1-year COFI ARMs
3046	short the option to purchase 6-month or 1-year Treasury or LIBOR ARMs
3048	short the option to purchase 3-year or 5-year Treasury ARMs
3050	short the option to purchase 5-year or 7-year Balloon or 2-step mortgages
3052	short the option to purchase 10-year, 15-year, or 20-year FRMs
3054	short the option to purchase 25-year or 30-year FRMs
3056	short the option to purchase all other mortgages

Short Options to Sell Mortgages and MBS (Short Puts)

3062	short the option to sell 1-month COFI ARMs
3064	short the option to sell 6-month or 1-year COFI ARMs
3066	short the option to sell 6-month or 1-year Treasury or LIBOR ARMs
3068	short the option to sell 3-year or 5-year Treasury ARMs
3070	short the option to sell 5-year or 7-year Balloon or 2-step mortgages
3072	short the option to sell 10-year, 15-year, or 20-year FRMs
3074	short the option to sell 25-year or 30-year FRMs
3076	short the option to sell all other mortgages

Contract Codes for Commitments to Purchase or Sell Nonmortgage Financial Assets and Liabilities

For purposes of reporting, **core deposits** are defined as transaction accounts, money market deposit accounts, passbook accounts, and non-interest-bearing demand deposits.

4002	purchase or originate nonmortgage financial assets
4004	purchase core deposits
4006	purchase all other liabilities
4022	sell nonmortgage financial assets
4024	sell core deposits
4026	sell all other liabilities

Contract Codes for Interest-Rate Swaps

We have divided the codes for swaps into three groups: fixed-for-floating swaps, basis swaps, and mortgage swaps. We have not listed codes for LIBOR-for-COFI basis swaps because the value of this type of swap does not change substantially when the yield curve changes in a parallel fashion. Special reporting instructions for swaptions and amortizing swaps appear below the list of codes.

CMO swaps are reported with Mortgage Derivative Securities. See **Mortgage Derivative Securities** in Section II, Assets.

If the institution holds a type of interest rate swap that is not contained in this list, the contract should be reported on **Supplemental Reporting of Market Value Estimates**, using code 500 from Appendix D. See **Market Value Estimates of OBS Contracts** in Section V, Reporting of Market Value Estimates, for reporting instructions.

Fixed-for-Floating Swaps

5002	pay fixed, receive 1-month LIBOR
5004	pay fixed, receive 3-month LIBOR
5006	pay fixed, receive 6-month LIBOR
5008	pay fixed, receive COFI
5010	pay fixed, receive 3-month Treasury
5012	pay fixed, receive 1-Year Treasury
5014	pay fixed, receive 3-year Treasury
5016	pay fixed, receive 5-year Treasury
5018	pay fixed, receive 7-year Treasury
5020	pay fixed, receive 10-year Treasury
5022	pay fixed, receive the prime rate
5024	pay 1-month LIBOR, receive fixed
5026	pay 3-month LIBOR, receive fixed
5028	pay 6-month LIBOR, receive fixed
5030	pay COFI, receive fixed
5032	pay 3-month Treasury, receive fixed
5034	pay 1-Year Treasury, receive fixed
5036	pay 3-year Treasury, receive fixed
5038	pay 5-year Treasury, receive fixed
5040	pay 7-year Treasury, receive fixed
5042	pay 10-year Treasury, receive fixed
5044	pay the prime rate, receive fixed

Basis Swaps

5052	pay COFI, receive 1-month LIBOR
5054	pay COFI, receive 3-month LIBOR
5056	pay COFI, receive 6-month LIBOR
5058	pay COFI, receive 3-month Treasury
5060	pay 1-month LIBOR, receive 1-year Treasury
5062	pay 1-month LIBOR, receive COFI
5064	pay 3-month LIBOR, receive COFI

5066	pay 6-month LIBOR, receive COFI
5068	pay 3-month Treasury, receive COFI
5069	pay 1-year Treasury, receive 1-month LIBOR

Mortgage Swaps

5572	pay 1-month LIBOR, receive MBS coupon
5574	pay 3-month LIBOR, receive MBS coupon
5576	pay 6-month LIBOR, receive MBS coupon
5582	pay MBS coupon, receive 1-month LIBOR
5584	pay MBS coupon, receive 3-month LIBOR
5586	pay MBS coupon, receive 6-month LIBOR

A **swaption** is an option on a swap. Swaptions are reported in the following manner: replace the first two digits of the contract codes listed above with 51 for a long position in the swaption – the institution has purchased the swaption – or 52 for a short position in the swaption – the institution has sold the swaption. For example, the contract code for a long swaption position where the institution would pay a fixed rate and receive 3-month LIBOR is 5104.

The OTS model only values swaptions on fixed-for-LIBOR, 1-, 3-, and 6-month indices, fixed-for-COFI, and fixed-for-3-month Treasury coupons. These swaptions correspond to codes 5102 through 5110, 5124 through 5132, 5202 through 5210, and 5224 through 5232. If you hold a swaption that is not contained in this list, you should report the on **Supplemental Reporting of Market Value Estimates**. See **Market Value Estimates of OBS Contracts** in Section V, **Reporting of Market Value Estimates**, for reporting instructions.

An **amortizing swap** is a swap on which the notional amount amortizes over time. You report amortizing swaps by replacing the first two digits of the contract codes listed above with 55. For example, the contract code for an amortizing swap where the institution pays COFI and receives 1-month LIBOR is 5552. Because mortgage swaps are amortizing swaps, their contract codes begin with 55.

Contract Codes for Interest-Rate Caps

6002	long a cap on 1-month LIBOR
6004	long a cap on 3-month LIBOR
6006	long a cap on 6-month LIBOR
6008	long a cap on the 3-month Treasury
6010	long a cap on the 1-year Treasury
6012	long a cap on the 3-year Treasury
6014	long a cap on the 5-year Treasury
6016	long a cap on the 7-year Treasury
6018	long a cap on the 10-year Treasury
6020	long a cap on COFI
6022	long a cap on the prime rate
6032	short a cap on 1-month LIBOR
6034	short a cap on 3-month LIBOR
6036	short a cap on 6-month LIBOR
6038	short a cap on the 3-month Treasury
6040	short a cap on the 1-year Treasury
6042	short a cap on the 3-year Treasury
6044	short a cap on the 5-year Treasury
6046	short a cap on the 7-year Treasury
6048	short a cap on the 10-year Treasury
6050	short a cap on COFI
6052	short a cap on the prime rate

If you hold a cap on which the notional amount is amortizing, an amortizing cap, you should report the contract on **Supplemental Reporting of Market Value Estimates**. See **Market Value Estimates of OBS Contracts** in Section V, **Reporting of Market Value Estimates**, for reporting instructions.

Contract Codes for Interest-Rate Floors

7002	long a floor on 1-month LIBOR
7004	long a floor on 3-month LIBOR
7006	long a floor on 6-month LIBOR
7008	long a floor on the 3-month Treasury
7010	long a floor on the 1-year Treasury
7012	long a floor on the 3-year Treasury
7014	long a floor on the 5-year Treasury
7016	long a floor on the 7-year Treasury
7018	long a floor on the 10-year Treasury
7020	long a floor on COFI
7022	long a floor on the prime rate
7032	short a floor on 1-month LIBOR
7034	short a floor on 3-month LIBOR
7036	short a floor on 6-month LIBOR
7038	short a floor on the 3-month Treasury
7040	short a floor on the 1-year Treasury
7042	short a floor on the 3-year Treasury
7044	short a floor on the 5-year Treasury
7046	short a floor on the 7-year Treasury
7048	short a floor on the 10-year Treasury
7050	short a floor on COFI
7052	short a floor on the prime rate

If the institution holds a floor on which the notional amount is amortizing, an amortizing floor, you should report the contract should be reported on **Supplemental Reporting of Market Value Estimates**. See **Market Value Estimates of OBS Contracts** in Section V, **Reporting of Market Value Estimates, for reporting instructions**.

Contract Codes for Futures

8002	long 30-day interest rate
8004	long 3-month Treasury bill
8006	long 2-year Treasury note
8008	long 5-year Treasury note
8010	long 10-year Treasury note
8012	long Treasury bond
8014	long 1-month LIBOR
8016	long 3-month Eurodollar
8018	long 3-year Swap
8020	long 5-year Swap
8032	short 30-day interest rate
8034	short 3-month Treasury bill
8036	short 2-year Treasury note
8038	short 5-year Treasury note
8040	short 10-year Treasury note
8042	short Treasury bond
8044	short 1-month LIBOR
8046	short 3-month Eurodollar
8048	short 3-year Swap
8050	short 5-year Swap

Contract Codes for Options on Futures

Long Call Options

9002	long call, 30-day interest rate futures
9004	long call, 3-month Treasury bill futures
9006	long call, 2-year Treasury note futures
9008	long call, 5-year Treasury note futures
9010	long call, 10-year Treasury note futures
9012	long call, Treasury bond futures
9014	long call, 1-month LIBOR futures
9016	long call, 3-month Eurodollar futures

Long Put Options

9026	long put, 30-day interest rate futures
9028	long put, 3-month Treasury bill futures
9030	long put, 2-year Treasury note futures
9032	long put, 5-year Treasury note futures
9034	long put, 10-year Treasury note futures
9036	long put, Treasury bond futures
9038	long put, 1-month LIBOR futures
9040	long put, 3-month Eurodollar futures

Short Call Options

9050	short call, 30-day interest rate futures
9053	short call, 3-month Treasury bill futures
9054	short call, 2-year Treasury note futures
9056	short call, 5-year Treasury note futures
9058	short call, 10-year Treasury note futures
9060	short call, Treasury bond futures
9062	short call, 1-month LIBOR futures
9064	short call, 3-month Eurodollar futures

Short Put Options

9074	short put, 30-day interest rate futures
9076	short put, 3-month Treasury bill futures
9078	short put, 2-year Treasury note futures
9080	short put, 5-year Treasury note futures
9082	short put, 10-year Treasury note futures
9084	short put, Treasury bond futures
9086	short put, 1-month LIBOR futures
9088	short put, 3-month Eurodollar futures

Construction LIP

9502	fixed-rate
9512	adjustable-rate

APPENDIX C

LIST OF ASSET CODES FOR SUPPLEMENTAL REPORTING

CMR Line	Asset Type	Asset Code
	Multifamily and Nonresidential Mortgage Loans and Securities	
	Adjustable-Rate	
CMR261	**Balloon Mortgage Loans**	
	Coupon Within 300 bp of Lifetime Cap	100
	Coupon More Than 300 bp From Lifetime Cap	105
	With No Lifetime Cap	106
	Balloon Mortgage Securities	
	Coupon Within 300 bp of Lifetime Cap	107
	Coupon More Than 300 bp From Lifetime Cap	108
	With No Lifetime Cap	109
CMR262	**Fully Amortizing Mortgage Loans**	
	Coupon Within 300 bp of Lifetime Cap	110
	Coupon More Than 300 bp From Lifetime	115
	With No Lifetime Cap	116
	Fully Amortizing Mortgage Securities	
	Coupon Within 300 bp of Lifetime Cap	117
	Coupon More Than 300 bp From Lifetime Cap	118
	With No Lifetime Cap	119
	Fixed-Rate	
CMR281	**Balloon Mortgage Loans**	125
	Balloon Mortgage Securities	126
CMR282	**Fully Amortizing Mortgage Loans**	127
	Fully Amortizing Mortgage Securities	128
CMR291	**Construction & Land Loans – adjustable-rate**	130
CMR311	**Second Mortgage – adjustable-rate**	140

CMR Line	Asset Type	Asset Code
CMR325	**Commercial Loans – adjustable-rate**	150
CMR335	**Consumer Loans – fixed- or adjustable-rate:**	
or	Loans on Deposits	180
CMR336	Unsecured Home Improvement Loans	181
	Education Loans	182
	Auto Loans and Leases	183
	Mobile Home Loans	184
	Credit Cards	185
	Recreational Vehicle Loans	187
	Other Type of Consumer Loans	189
CMR584	**Mortgage-Related Mutual Funds:**	
	Fixed-Rate Mortgages or MBS	160
	Adjustable-Rate Mortgages or MBS	162
	CMO or REMIC Tranches:	
	Floating-Rate	166
	Fixed-Rate WAL < 5 yrs	167
	Fixed-Rate WAL 5-10 yrs	168
	Fixed-Rate WAL > 10 yrs	169
	Superfloaters	170
	Inverse Floaters & Super POs	171
	Fixed-Rate Residuals	172
	Floating-Rate Residuals	173
	Interest-Only MBS	175
	Principal-Only MBS	176
	Mortgage Servicing Rights	178
	Other	179
CMR473	**Government & Agency Securities:**	
	Fixed-Coupon Securities	300
	Floating-Rate Securities	302
	Inverse Floating-Rate Securities	304
CMR479	**Other Investment Securities:**	
	Fixed-Coupon Securities	120
	Floating-Rate Securities	122
	Inverse Floating-Rate Securities	124

APPENDIX D

LIST OF CODES FOR SUPPLEMENTAL REPORTING

Code	**Position**
1211	Market value estimates of complex securities, other than mortgage derivative securities
1231	Market value estimates of high risk mortgage derivatives
2002	Terms and conditions of variable-rate, fixed-maturity certificates of deposit
2101	Market value estimates of collateralized mortgage obligations issued
2202	Terms and conditions of variable-rate, fixed-maturity FHLB advances, other than those reported below
2801	Market value estimates of FHLB putable advance. Putable advances are advances that the issuing FHLB, at its discretion, may terminate and require the borrowing institution to repay at predetermined dates prior to the stated maturity date of the advance.
2811	Market value estimates of FHLB convertible advance. With a convertible advance, the issuing FHLB has the option to convert the advance to an adjustable rate advance after a predetermined lock-out period and periodically thereafter.
2821	Market value estimates of FHLB callable advance. With a callable advance, the borrower has the option to return the funds to the FHLB that issued the advance, without a prepayment fee, at designated prepayment or put dates and periodically thereafter.
2831	Market value estimates of FHLB periodic floor floating rate advance. The rate on the advance resets periodically to LIBOR, and the interest rate decline is limited to the periodic floor
2891	Market value estimates of other FHLB structured advances
2901	Market value estimates of other structured borrowings

1 Use these codes in the Supplemental Reporting of Market Value Estimates

2 Use these codes in the Supplemental Reporting for Assets and Liabilities

2992 Terms and conditions of other variable-rate, fixed-maturity borrowings

5001 Market value estimates of **either:** (1) other financial derivatives and OBS positions without a contract code; **or** (2) the aggregate value of OBS positions in excess of the 16 positions reported on the Financial Derivatives and Off-Balance-Sheet Positions.